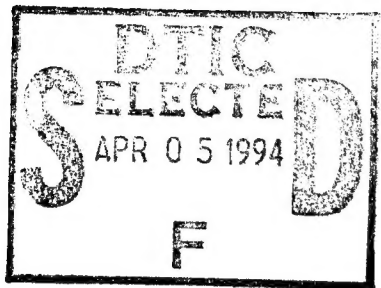


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THESIS

U.S. NATIONAL DRUG CONTROL STRATEGY
&
THE ANDEAN INITIATIVE:
ROOTS OF FAILURE

by

19950403 103

Jonathon Scott Davis

December, 1994

Thesis Advisor:

Scott D. Tollefson

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&

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ROOTS OF FAILURE

by

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Lieutenant, United States Navy

B.S., Embry Riddle Aeronautical University, 1985

Submitted in partial fulfillment
of the requirements for the degree of

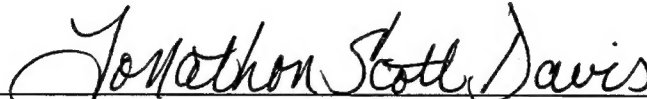
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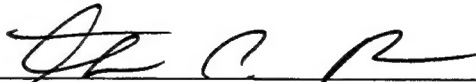


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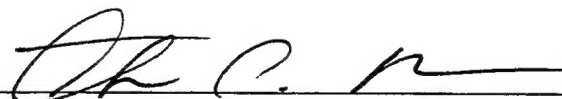
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ABSTRACT

This thesis examines the reasons for the failure of the U.S. National Drug Control Strategy, and the Andean Initiative. Its scope is limited to cocaine trafficking from the Andean nations of Bolivia, Colombia, and Peru, to the United States. It provides the background of those strategies, and analyzes various explanations for failure.

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In conclusion, this thesis proposes that any real solution to the drug problem lies not with supply interdiction, and not with expanded foreign assistance, but with targeting user accountability in the United States.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	STRATEGY OVERVIEW.....	7
	A. POLICY ROOTS.....	7
	B. NATIONAL DRUG CONTROL STRATEGY.....	11
	1. Education.....	11
	2. Treatment.....	14
	3. Drug Organizations.....	17
	4. Drug Trafficking Networks.....	21
	C. ANDEAN INITIATIVE.....	25
III.	STRATEGY FAILURE ARGUMENTS & RECOMMENDATIONS.....	29
	A. ECONOMIC RELATED FAILURES.....	29
	1. Drug Profitability.....	30
	2. Money Laundering	41
	3. Foreign Assistance Programs.....	50
	4. Corruption.....	56
	B. POLITICALLY RELATED ARGUMENTS.....	60
	1. U.S. Military Employment Inappropriate.....	60
	2. Drug Cartels Are Too Powerful.....	65
	3. The U.S. Lacks a Legitimate Antidrug Regime..	67
	4. U.S. Government Illegal Drug Activity.....	70
	Case: Iran - Contra	
	5. U.S. Judicial System Lacks Consistency.....	74
	6. U.S. Antidrug Regime Lacks Coordination.....	80
	Case: DEA & FBI Drug Investigations	

IV. SUMMARY.....	85
BIBLIOGRAPHY.....	91
INITIAL DISTRIBUTION LIST.....	97

LIST OF FIGURES

Figure 2-1	Federal Drug Control Spending.....	10
Figure 2-2	Air Interdiction FY1988-FY1990.....	23
Figure 3-1	Cocaine Profitability Growth Rate.....	33
Figure 3-2	Colombian Annual Growth Rate.....	35
Figure 3-3	Andean Nations Agricultural Growth.....	37
Figure 3-4	Andean Nation Legitimate Unemployment.....	39
Figure 3-5	U.S. Department of Treasury Currency Transaction Reporting (CTR).....	46
Figure 3-6	DEA Federal Drug Arrests.....	75
Figure 3-7	U.S. National Drug Case Average.....	77

EXECUTIVE SUMMARY

In 1986 the United States government declared war on drugs. In attempting to reduce domestic drug abuse and international drug trafficking, the White House in September 1989 established the Office of National Drug Control Policy (ONDCP) as a management framework to coordinate national antidrug efforts. The National Drug Control Strategy of the United States evolved from the ONDCP.

By 1995, and after spending billions in tax dollars to fund antidrug programs, the drug abuse and trafficking problem still exist. Efforts to counter drugs have only expanded the vast antidrug bureaucracy, creating a nearly static policy. Programs targeting drug suppliers overseas have had only limited success, while straining relations with source countries.

The factors that have undermined success in antidrug efforts can be arranged under the broad categories of economics and politics. Economically, the \$50 million to \$60 million in restrictive U.S. antidrug assistance to source nations in Latin America represents a small sum when compared to the \$7 billion of illegal drug revenues reinvested in the Colombian economy every year, and the \$110 billion spent annually by U.S. consumers on illegal drugs. Politically, inter-agency coordination failure, non-compliance with policy concepts, and unrealistic strategy objectives have all contributed to the continued failure of antidrug policy.

The thesis examines the goals and objectives of the National Drug Control Strategy of the United States and the Andean Initiative, and then offers several arguments for their failures. The thesis contends that U.S. antidrug efforts will continue to fail in their present form if not restructured. The thesis examines the effects of the drug problem on U.S. society, and agrees that policy will only succeed under the following conditions: judicial system consistency in handling drug cases; improvement in domestic and international coordination; and increased and consistent emphasis upon demand-related issues.

The thesis concludes that when U.S. decision-makers consider future antidrug policy, they should do so targeting demand. If the drug problem genuinely threatens national security, then U.S. policy-makers need to institute effective drug education, treatment, and testing programs that ensure compliance with federal laws. This thesis proposes that any real solution to the drug problem lies not with supply interdiction, not with expanded foreign assistance, but with targeting user accountability in the United States.

I. INTRODUCTION

The United States has failed to win the drug war. Throughout most of the twentieth century the United States has made several attempts to establish some form of drug policy.¹ An inherently flawed U.S. policy approach has been responsible for a series of ineffective government antidrug abuse measures, which have failed to resolve the problem.

The current policy emphasis has shifted to focus on supply reduction.² The emergence, in the 1980s of crack, a cocaine derivative, led to an increase in drug abuse and contributed significantly to increased criminal violence throughout the nation. In response, the Reagan administration declared "war on drugs", and moved beyond the previous focus on domestic law enforcement, to acknowledging drug trafficking as a national security threat.³ The effects of both cocaine abuse and trafficking were not fully acknowledged until the Bush Administration (1989-93) ranked the drug war among the top three priorities of the National Security Council.

¹James A. Inciardi. Handbook of Drug Control in the United States. Greenwood, 1990, 5.

²Georges Fauriol. Security in the Americas. National Defense University Press, 1989, 9.

³Senate Committee of Foreign Relations, National Security Directive 221, Declaration of Drug Trafficking as a National Security Threat, U.S. Government Printing Office, April 1986.

Drug war efforts expanded significantly to include U.S. military participation.⁴

In his efforts to address the drug problem, President Reagan created the Office of National Drug Control Policy, a Cabinet level agency, as part of the Executive. Instituted under the Bush Administration, the ONDCP developed a comprehensive, coordinated plan to address drug related activity.⁵ The National Drug Control Strategy evolved from this effort, as an effort to overcome the drug problem both domestically and abroad.

A more regionalized approach to the surging cocaine problem surfaced with the Andean Initiative. On February 15, 1990 President Bush and the leaders of Bolivia, Colombia, and Peru met at the Cartagena Summit to discuss cooperative antidrug operations.⁶ This strategy was instituted by President Bush as a multilateral effort to direct U.S. antidrug action in the Andean source countries.

Two major factors have undermined success in antidrug policy. The first is economics, probably the single most important factor as to why the drug war still exists. The U.S. provides \$50 million to \$60 million in direct aid annually to Colombia for antidrug assistance. That represents

⁴Defense Authorization Act of 1989, Department of Defense Assigned as Lead Agency for Detection and Monitoring of Suspected Drug Traffickers, U.S. Government Printing Office, September 1989.

⁵Dione M. Canova. The National Drug Control Strategy, A Synopsis. Handbook of Drug Control in the United States by James Inciardi, Greenwood, 1990, 339.

⁶U.S. Congressional Hearing, Andean Initiative, U.S. Government Printing Office, 6 & 20 June 1990, 97.

a small sum, when compared to the \$7 billion of illegal drug revenues reinvested in the Colombian economy every year,⁷ and the \$110 billion spent annually by U.S. consumers on illegal drugs.⁸

The second factor that complicates success in the drug war is politics. From the beginning, inter-agency coordination failure, non-compliance with policy concepts, and unrealistic strategy objectives have continued to plague antidrug efforts. For example, the U.S. Congress mandated under the establishment of the National Drug Control Strategy that funds be equally divided between supply and demand programs. Program administrators have consistently ignored this requirement every year with minimal interference from Congress. Statistics reveal that funding for supply-side programs has generally been twice that of the demand-side.⁹ Continuity in policy for both the National Drug Control Strategy, and the Andean Initiative have also been complicated by administration changes, and the lack of coordination among antidrug agencies.¹⁰

⁷Rensselaer W. Lee, III, "Economic Aid Could Not Stop Drug Production," in David Bender and Bruno Leones, The War On Drugs, Opposing Viewpoints (Greenhaven, 1990), 183.

⁸G. Pope Atkins, Latin America in the International Political System, Westview, 1989, 274.

⁹National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., 76.

¹⁰Scott B. MacDonald, Mountain High, White Avalanche: Cocaine and Power in the Andean States and Panama, Praeger, 1989, 128.

The importance of this thesis is based on the following: (1) within the United States drug abuse strains the medical, legal, and law enforcement services; (2) vast efforts to counter this threat have failed; and (3) the international war on drugs affects state to state relations.

This thesis will attempt to explain the failures of the U.S. National Drug Control Strategy and Andean Initiative by offering several arguments. Concerning economics, arguments will include: (1) why the profitability of drug trafficking supersedes the efforts made by U.S. policy; (2) how money laundering networks are practically impenetrable; (3) why U.S. foreign financial assistance programs are ineffective; and (4) how the corruption potential within the drug trade has impacted efforts to counter that trade.

For political failures, arguments will include: (1) how U.S. government covert operations concerning illegal drug trafficking have undermined legitimate efforts; (2) why the vast U.S. bureaucracy is unable to coordinate antidrug agencies; (3) how U.S. drug policy itself is really unilateral; (4) how the U.S. judiciary lacks consistency in drug related cases; (5) why drug cartels are essentially too powerful for Latin American governments to subdue; (6) why U.S. foreign policy relating to drug trafficking has been inconsistent; and (7) how a highly effective and resourceful U.S. military has been misused.

Chapter I will provide a historical overview of the modern drug problem. Subsequent chapters will provide a comprehensive summary of the U.S. National Drug Control Strategy and Andean Initiative including their origins and operative framework.

An analysis of the various sources related to the illegal drug problem should provide indications on why the drug war is failing. Recommendations and options for future U.S. policy will be offered as part of the conclusion. Due to the broad scope of this issue, this thesis will only focus on antidrug measures covered by the National Drug Control Strategy and Andean Initiative as they relate to the United States and the Andean nations involved.

II. STRATEGY OVERVIEW

The major emphasis of this thesis will be the U.S. National Drug Control Strategy. It is essential to provide the reader with its roots, framework, and implementation in order to substantiate the arguments. This chapter will attempt to provide a comprehensive outline of the major strategy concepts and how they have shaped U.S. policy.

A. POLICY ROOTS

The U.S. drug policy has a lengthy history dating back to the early 1900s. The history of "modern" drug control, however, can be traced to the Drug Abuse Office and Treatment Act of 1972.¹¹ Initially, it was developed to address the alarming heroin problem in the United States. It sought to formally balance Federal antidrug policy measures by enhancing prevention and treatment programs.¹² Its focus was to establish several antidrug agencies to plan, coordinate, and implement effective policy.

Despite increased antidrug measures, domestic drug abuse continued to surge through the 1970s and into the next decade. Widespread use of crack-cocaine in the 1980s contributed to changing the public's perception of the drug problem. Once considered only an inner-city problem, the true extent of

¹¹James A. Inciardi, Handbook of Drug Control in the United States, Greenwood, 1990, 97.

¹²Senate Committee on Armed Services Testimony, Federal Drug Abuse Control Policy and The Role of The Military in Anti-Drug Efforts, U.S. General Accounting Office, 8 June 1988, 2.

cocaine abuse became apparent with the deaths of two well known sports figures, Len Bias¹³ and Don Rogers¹⁴, attributed to cocaine overdose.¹⁵ Increased media coverage forced congressional debate on the issue of drug abuse resulting in the Anti-Drug Abuse Act of 1986.

The Act formally recognized that antidrug policies required more than arrests and seizures. Nearly \$4 billion in policy funding provided to expand drug abuse programs, including increased education, prevention, and treatment programs. The Act also created the Office of Substance Abuse Prevention (OSAP), tasked with improving technology transfers, managing demonstration program grants, working with community based programs, and coordinating federal, state, and local drug abuse programs.

Continued lack of progress in the drug war instigated further legislation, expanding antidrug measures with the Anti-Drug Act of 1988. This provided a "management framework"¹⁶ for the newly created Office of National Drug Control Policy (ONDCP), a Cabinet level agency within the Executive. The ONDCP was charged with developing and coordinating Federal antidrug efforts, along with assisting

¹³"Len Bias, Top College Basketball Star, Dies After Cocaine Use," Los Angeles Herald, 2 July 1986.

¹⁴"Don Rogers, Cleveland Browns Defensive Back, Dies Due to Cocaine Poisoning," The Sacramento Bee, 1 July 1986.

¹⁵Scott B. MacDonald, Mountain High, White Avalanche: Cocaine and Power in the Andean States and Panama, Praeger, 1989, 121.

¹⁶Drug Control: The Reauthorization of The Office of National Drug Control Policy, U.S. General Accounting Office, GAO/T-GGD-94-7, 5 October 1993, 1.

Congress in overseeing these efforts.¹⁷ The ONDCP, under the direction of William J. Bennett, its first drug "czar",¹⁸ developed and implemented guidelines for the domestic and international strategy.

According to Congress, required funding of supply and demand programs was to be equally distributed. However, statistics reveal that from Fiscal Year 1988 to FY1995, at no time was there an equitable distribution of funding. In fact, supply-related funding throughout the entire period of the National Drug Control Strategy has consistently "outstripped" that of demand related programs as Figure 2-1 indicates.¹⁹

¹⁷Drug Control, The Office of National Drug Control Policy, Strategies Need Performance Measures, U.S. General Accounting Office, GAO/T-GGD-94-49, 15 November 1993, 1.

¹⁸Scott B. MacDonald, Dancing on a Volcano: The Latin American Drug Trade, Praeger, 1988, 148.

¹⁹National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., 76.

Federal Drug Control Spending

By Function (FY88 - FY95)

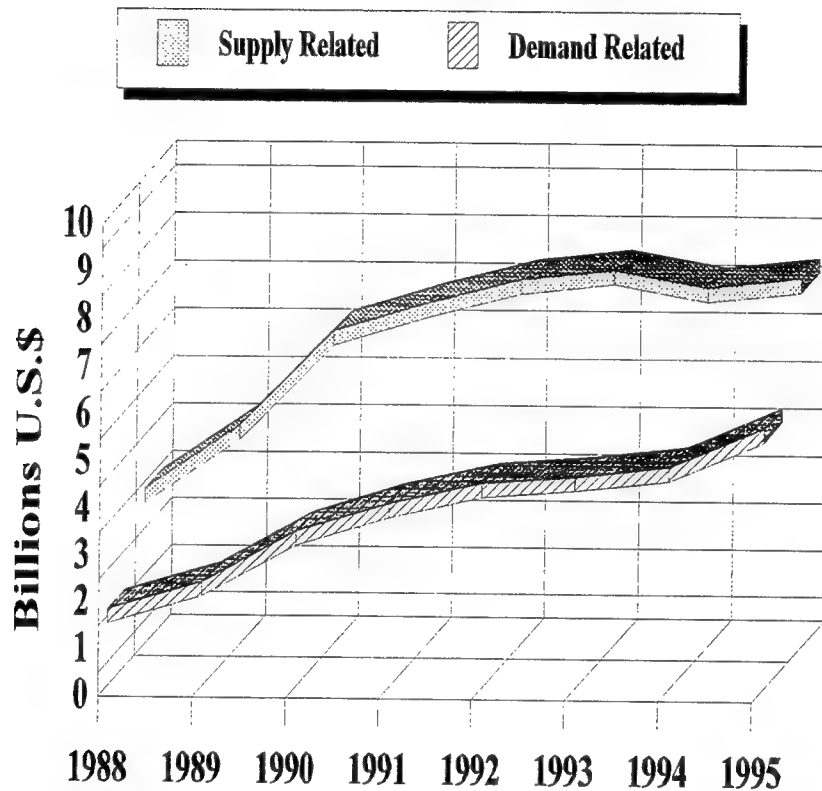


Figure 2-1. Federal Drug Control Spending

B. NATIONAL DRUG CONTROL STRATEGY

In September of 1989, the Bush Administration published the first National Drug Control Strategy, thus instituting a comprehensive policy that included measures addressing drug abuse and trafficking. The main goal of the strategy was to disrupt, dismantle, and destroy the illegal drug market affecting the United States.²⁰ In order to achieve this goal, four major areas were addressed. They were (1) drug abuse education programs; (2) drug abuse treatment programs; (3) the dismantling of international drug cartels; and (4) the disruption of drug trafficking networks.

Other related factors included restructuring the criminal justice systems both domestically and abroad, drug abuse related research, and upgrading intelligence cooperation. The following is an overview of the major strategy concerns.

1. Education

Strategy planners and critics alike consider education the key element in reducing present and future drug abuse. Recent evidence provided by the National Parents' Resource Institution for Drug Education (PRIDE) revealed drug abuse among high school students for 1993-1994 to be on the rise.

²⁰National Drug Control Strategy 1989, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., September 1989, 47.

According to one source, a more relaxed attitude by some is partly to blame for the problem.²¹ With this in mind, the current strategy places the emphasis on the nation's youth. The importance of deterring those not yet using drugs is deemed crucial. Targeting the nation's educational system, the U.S. Department of Education is working with various state and local antidrug agencies on drug deterrence programs.

Antidrug policy instituted by school administrators throughout the nation varies widely, and reflects conflicting attitudes toward the drug problem. Many conservatives argue that U.S. society is being devastated by drugs, and thus tend to promote hard-line measures emphasizing harsh punishment and user accountability. The nation's first drug czar William J. Bennett stated that "Constitutional liberties are in jeopardy from drugs themselves, which every day scorch the earth of our common freedom."²²

When drug problems within the school system escalate, Federal administrators encourage schools to delicately balance antidrug education programs with measures to protect those children who are threatened by the presence of drugs. Schools qualifying for Federal grants are encouraged to use funds for

²¹Lee Brown, Director, Office of National Drug Control Policy, "Survey: Teen-Age Drug Use Rising," Monterey Herald, 21 October 1994.

²²William J. Bennett, "Introduction," in David Bender and Bruno Leones, eds., War on Drugs, Opposing Viewpoints, (Greenhaven, 1990), 13.

obtaining security equipment to ensure a safe, drug-free learning environment.²³

In contrast, civil libertarians believe that government officials have exaggerated the danger of illegal drugs in order to rationalize an attack on individuals' Constitutional rights. Their logic is based on the belief that the rights of individuals are more important than general safety and stability. For example, Havery Gittler, Executive Director of the Ohio Branch, American Civil Liberties Union states "the real victim in the war on drugs is going to be the Constitutional rights of the majority."²⁴

The National Drug Control Strategy recognizes that schools alone cannot fight drugs. Indeed they cannot substitute the family,²⁵ so the strategy also promotes the awareness of people within the community on the dangers of drug abuse. To succeed, the strategy seeks to link schools with parents, businesses, churches, synagogues, law enforcement, civic groups, and others within the community.²⁶

²³National Drug Control Strategy 1992, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., 7.

²⁴Havery Gittler, "Introduction," in David Bender and Bruno Leones, eds., War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 13.

²⁵National Drug Control Strategy 1990, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1990, 40.

²⁶National Drug Control Strategy 1991, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., January 1991, 65.

Community-based programs are encouraged to give children an alternative to drugs. The U.S. Department of Health and Human Services (HHS) coordinates efforts with several participating agencies both on state and local levels to develop and fund community-based programs. Business coalitions, community watch teams, and local government task forces seek to target drug user accountability.

The final educational target of the strategy is the work place. Statistics reveal that the majority of illegal drug users in the United States are employed.²⁷ Drug abuse in the work place has been shown to (1) contribute to the downturn of business productivity; (2) raise injury rates; (3) increase medical costs (approximately \$100 billion annually);²⁸ (4) promote illegal activities within the work place; and (5) create unsafe working conditions for the employee.

2. Treatment

By the time the U.S. National Drug Control Strategy was implemented in 1989, there were already over 5000 drug treatment programs in operation. Treatment programs ultimately seek to reduce social costs associated with drug dependency and related problems. Drug treatment programs are either privately or publically funded. The National Drug

²⁷National Drug Control Strategy 1989, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., September 1989, 56.

²⁸The Senate Task Force for a Drug Free America, "The War on Drugs is Necessary," in David Bender and Bruno Leones, eds., War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 19.

Control Strategy has categorized treatment into five levels: (1) detoxification; (2) chemical dependency units; (3) outpatient clinics; (4) methadone treatment centers; and (5) residential therapeutic programs.²⁹ Cocaine and crack are considered the leading illegal drug abuse problems in the nation. However the treatment of cocaine addiction has been less successful than the treatment of other established programs.

The origins of drug users are wide-spread, and not all from inner-city, poverty-stricken locations. Rural areas are nearly as heavily impacted by drugs as big cities are. Users include college students, doctors, lawyers, professionals, and even law enforcement personnel.

One of the problems facing the treatment for drug abuse is the lack of sufficient centers to meet the demand. Estimates currently indicate that there are approximately 2.5 million hard-core drug users in need of treatment, with only 1.4 million available openings in publically funded treatment centers.³⁰ The fact that private centers are often only 80 percent filled to capacity is irrelevant to most drug users due to high costs and inconvenient locations.

The Federal government provides funding for treatment centers through the U.S. Department of Health and Human Resources (HHS) for nationally-assisted drug abuse programs. Funds for drug related treatment are provided to the Alcohol,

²⁹National Drug Control Strategy 1989, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., September 1989, 35.

³⁰National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1994, 37.

Drug Abuse, and Mental Health Administration (ADAMHA) for program management.

The administration of assistance is performed in two possible ways. The first is categorized as block grants, broad-based assistance programs with less restrictive measures on program management. The second consists of categorical grants much more focused in their management and distribution.

The strategy also targets the development of new and additional treatment centers. New treatment centers, however, are not usually welcomed by communities who fear an increase in crime due to these centers. The fact that most surveys indicate drug treatment centers do not always increase criminal activity is disregarded in favor of the prevailing perception among community members.

Just as community resistance creates tension, the fact that many treatment centers are outdated and restricted on the type of treatment available is also important. In attempting to reduce levels of conflict, one recent government study discussed the prospects of locating drug treatment centers on under-utilized or closed military bases.

The ultimate problem undermining success may lie with the majority of drug users having a choice to seek treatment. Even within the U.S. Federal and State prison systems, those incarcerated with past problems of drug use in most cases are not required to attend drug treatment. An estimated 50 percent of Federal prison inmates, and nearly 80 percent of State prison inmates have experienced some type of drug use, and most convicts complete their terms without receiving any treatment.³¹

³¹National Drug Control Strategy 1990, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1990, 35.

3. Drug Organizations

The most influential players impacting supply reduction efforts in the war on drugs are the drug cartels. These organizations tend to be highly centralized with all located outside the United States.

The leading cartel, controlling cocaine distribution throughout the world, is currently a Colombian cartel based in Cali. Its rival, the Medellín cartel, in the 1980s³² controlled approximately 80 percent of all cocaine distribution to the United States before being virtually dismantled in 1993.

The Cali cartel under the leadership of brothers Gilberto and Miguel Rodriguez Orejuela, Jose Santacruz Londono, and Jorge Orejuela Caballero³³ now control the flow of cocaine worldwide. While the cartel is the centerpoint of cocaine trafficking, groups from other nations including the Dominican Republic and Jamaica have also become leading "distributors" on the east coast of the United States.³⁴

The success of cartels can be traced to their power, prestige, and influence. Their influence exerted through violence and corruption has contributed to destabilizing the

³²Scott B. MacDonald, Mountain High, White Avalanche, Cocaine and Power in the Andean States and Panama, Praeger, 1989, 23.

³³Peter Arnet and Brian Barger, The Kingdom of Cocaine, CNN, 25 September 1994.

³⁴Edward Conlon, "The Pols, the Police, and the Gerry Curls: Inside one of New York's most notorious Dominican drug gangs," The American Spectator, November 1994, 42.

Andean nations.³⁵ For example, before the collapse of the Medellín cartel, the use of widespread violence throughout Colombia had resulted in the assassination by drug traffickers of 50 judge magistrates, 12 journalists, and over 2000 military and police personnel.³⁶

In addition to violence, the Cali cartel employs a more subtle approach, corruption. Bribes are widespread, and include government, military, and police officials in both Latin America and the United States.³⁷ For example, in 1985 a major corruption scandal rocked the Miami Police Department. As a result, its 800 member force underwent drug testing to ensure compliance with federal narcotics laws. In the same year, the Colombian government discovered that at least 400 of its judges had been influenced by some type of drug related corruption.³⁸

The National Drug Control Strategy seeks to limit drug trafficking by dismantling the major drug cartels. The strategy has categorized the cartel, or organization into three levels. First is the core organization, or drug cartel. This refers to a small, highly centralized group of individuals retaining nearly all major decision-making

³⁵Andrés Benavente Urbina, Drug Traffic and State Stability, North-South, The Magazine of the America's, August-September 1992, 34.

³⁶James M. Malloy, Latin America and Caribbean Contemporary Record, Holmes & Meier, 1990.

³⁷"Magazine Links Politicians to Cali Cartel," FBIS-LAT-94-154, 9 August 1994.

³⁸James A. Inciardi, The War on Drugs, Heroin, Cocaine, Crime, and Public Policy. Mayfield, 1986, 194.

authority. The cartel's primary responsibility is the production and exporting of illegal narcotics.

The strategy defines the second level in the organization as drug trafficking networks. Their function includes transportation and distribution of illegal drugs, and the coordination of money laundering operations. These networks are considered the most crucial link to completing illegal drug transactions.

The final level in the organization are the domestic street dealers. Their responsibility lies with the sale of illegal drugs to the consumer. The strategy targets the three levels emphasizing law enforcement activity, prosecution and punishment, and extradition of drug traffickers where such treaties exist.³⁹

Success in defeating drug cartels lies heavily with the level of cooperation between U.S. drug agencies and drug source nations. In assisting the Andean nations, the United States first attempted to strengthen their laws, legal institutions, and antidrug programs. Efforts were also made to increase the effectiveness of their law enforcement and security activities, thus enabling these nations to take effective action against drug trafficking organizations.⁴⁰

While cartels centralize their leadership, strategy efforts have been aimed at disrupting their activities through the destruction of drug labs, implementation of crop

³⁹"Reputed Top Colombian Drug Trafficker Extradited to U.S.," The Washington Post, 9 February 1987.

⁴⁰National Drug Control Strategy 1992, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., January 1992, 80.

eradication and substitution programs, and increasing law enforcement measures. These efforts, however, have not achieved much success in significantly reducing the production of drugs.

An example of this was provided by the death of Pablo Escobar, the former kingpin of the Medellín Cartel. In December of 1993, a cooperative effort by Colombian Forces, U.S. drug and intelligence agencies, and a right wing Colombian group, the "Pepes", successfully located and killed Escobar after a fifteen month manhunt.⁴¹

Secondary level organizations, or drug trafficking networks are highly diversified, and much more difficult to track. The strategy seeks to identify these networks through intense law enforcement action, and international programs including: (1) interdiction; (2) monitoring exports of precursor chemicals; (3) limiting money laundering operations; and (4) targeting drug shipment routes.

The U.S. has successfully disrupted drug trafficking routes on several occasions, but the broad effect on the drug war has been negligible. The book Inside the Cartel reveals how the Medellín cartel's trafficking network collapsed. Despite this, the existence of cocaine trafficking was only absorbed by its rival competitor, the Cali cartel.⁴²

⁴¹S. Gutkin, "Colombian Forces Kill Drug Lord Escobar," Monterey Herald, 3 December 1993.

⁴²Max Mermelman, Inside The Cartel, SPI, 1994, 272.

4. Drug Trafficking Networks

Disruption of illegal drug trafficking networks is considered the most difficult task in supply-side efforts of the drug war. In 1988, 355 million people entered or reentered the United States, along with more than 100 million vehicles, 220 thousand vessels, 635 thousand aircraft, and eight million cargo containers.⁴³

Expanded efforts of U.S. agencies involved in antidrug operations have not successfully stopped the flow of drugs. It has, however, forced drug traffickers to develop new techniques in smuggling drugs. Using "ingenious" methods, traffickers have discovered ways to use chemical processing in order to transform cocaine into a vast number of goods such as floor tiles, auto gaskets, childrens car seats, and even cement poles used for residential street lighting.⁴⁴

Cocaine still continues to be transported by air,⁴⁵ sea, and across land into the United States, but in newer, and more innovative ways.⁴⁶ The strategy emphasis in disrupting drug trafficking networks is through interdiction. The concept seeks to deter drug smuggling by denying the use of air, land,

⁴³National Drug Control Strategy 1989, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., September 1989, 73.

⁴⁴Robert Reinhold, "Ingenious Ways Found For Smuggling Drugs," New York Times, 14 April 1994.

⁴⁵"Feds Crack Air Cargo Service for Drugs," Monterey Herald, 1 July 1994.

⁴⁶"Drug Smuggling Submarine Seized," Miami Herald, 29 September 1994.

and maritime routes. Interdiction however, is just one strategy concept, and should be considered only as complementary to the broad scope of antidrug efforts.

The strategy also emphasizes individual accountability by threatening harsh punishment to those who traffick drugs.⁴⁷ Network personnel are the most critical in the drug trafficking operation, and should be the primary focus for supply-side efforts.

The difficulties of interdiction operations are immense. Air interdiction of drug trafficking focuses on detection and monitoring of suspect aircraft, and the apprehension of crew members by law enforcement personnel. This entire sequence of events, however, must include all procedural steps to succeed. Interdiction failure has been attributed to the lack of resources and cooperation among U.S. drug agencies.

Statistics on interdiction are marginal at best. Data generally account for only "actual" seizures and arrests, not the vast efforts employed that may have deterred trafficking. The only success in interdiction has been to shift traffickers' techniques in smuggling, not reducing the flow of drugs entering the U.S. As depicted in Figure 2-2,⁴⁸ drug seizures reveal a fluctuating trend based on location. This indicates that traffickers alternate shipment routes to minimize detection, but do not reduce the flow of their drugs. seizures reveal a fluctuating trend based on location. This

⁴⁷"U.S. Informant Convicted of Drug Smuggling Gets Life," Miami Herald, 22 April 1994.

⁴⁸National Drug Control Strategy 1991, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1991, 96.

Air Interdiction FY1988-FY1990

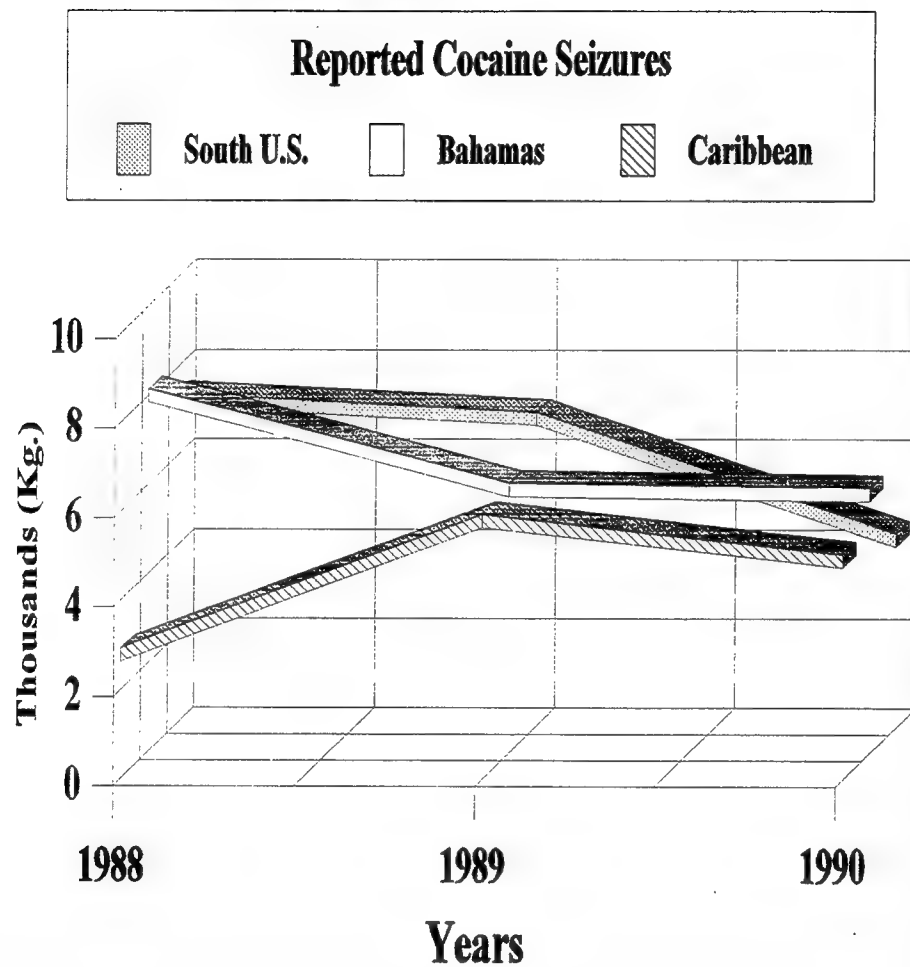


Figure 2-2. Air Interdiction FY1988-FY1990

indicates that traffickers alternate shipment routes to minimize detection, but do not reduce the flow of their drugs.

An example of this is revealed in the book Inside The Cartel. It describes how the Medellín cartel alone transported over 800 kilos of cocaine per week into Florida and California during the 1980s. The book also emphasizes that this cocaine did not include smuggled cocaine from other trafficking organizations, so one can envision the huge amount of drugs entering the United States during that period.

The difficulties in interdiction only grow with maritime efforts. Aircraft smuggling drugs may behave suspiciously (i.e. low altitude profile, night flight without lighting, no filed flight plan, and operating without a required transponder). However, the interdiction of surface vessels is much more difficult. The use of extensive intelligence databases provides historical profiles of suspect vessels, but this can be unreliable. The U.S. Navy is primarily responsible for maritime interdiction. One problem that plagues these efforts is the lack of dedicated resources,⁴⁹ in that the U.S. Navy will conduct maritime interdiction if a surface vessel is transiting the operation area, but the U.S. Navy does not specifically assign a unit to an area. The other obvious problem when conducting maritime interdiction is the vast areas of required coverage.

Land operations are the last avenue of interdiction. They employ measures to track illegal drugs entering the United States through border crossings and ports of entry.

⁴⁹RADM George N. Gee, USN, Commander, Joint Task Force Four, "Vigilance in Paradise," Naval Institute Proceedings, October 1992, 87.

The leading technique in smuggling that traffickers currently employ is the use of cargo-container ships. There are simply far too many containers for U.S. Customs officers to inspect.

Efforts to improve land interdiction efforts used by the U.S. include: (1) expanding the use of sophisticated intelligence data bases; (2) improving cooperation between government officials and private sector business; (3) encouraging improved multi-agency cooperation; (4) increasing funding and technology for drug detection resources; (5) improving border control; and (6) expanding the role of the U.S. Border Patrol and Department of Defense.

C. ANDEAN INITIATIVE

The problem of drug trafficking in Latin America represents not only a social threat, but a complex threat to state stability.⁵⁰ In the fight against illegal drug trafficking, the Andean nations of Bolivia, Colombia, and Peru are the primary source for cocaine entering the United States. The heads of state for the Andean nations cannot focus only on those people or groups directly involved in clandestine operations. They must also consider the vast social network that stretches from the producer, to the trader, and to the consumer. Indeed, the local economies often benefit from coca or cocaine traffic.

⁵⁰Andrés Benavente Urbina, "Drug Traffic and State Stability," North-South, The Magazine of the Americas, August-September 1992, 34.

The National Drug Control Strategy has identified cocaine as the greatest illegal drug threat to the United States.⁵¹ The primary methods the strategy identifies for smuggling cocaine include: (1) the use of air, land, and sea transportation that cross the Caribbean and Atlantic oceans; and (2) the use of transshipment points throughout virtually all Central and South American nations that provide easier access to entry points along the U.S. border.⁵²

The National Drug Control Strategy has identifies three primary components to its cocaine supply reduction strategy: (1) domestic law enforcement; (2) land, air and sea interdiction; and (3) international programs designed to disrupt, and dismantle drug trafficking operations. These are the precursors to the Andean Strategy or Andean Drug Initiative.

The Andean Initiative was developed as a multi-faceted approach to enhance cooperative efforts in the complex problem of cocaine production and trafficking in Latin America. To institute this policy, President Bush and the leaders of Bolivia, Colombia, and Peru met at the Cartagena Summit on February 15, 1990 to discuss policy implementation. A follow-up conference in San Antonio, Texas in 1992 increased participating members to include Ecuador, Mexico, and Venezuela.

⁵¹National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1994, 51.

⁵²Eighty Percent of Drug Traffic Reportedly Passes Through Zulia and Tachira Venezuela, U.S. Government Printing Office, JPRS-TDD-94-014-L, 25 March 1994.

The Andean Initiative, which was first instituted in June 1990, provides an international framework for U.S. efforts in the drug war targeting the cocaine source countries of Bolivia, Colombia, and Peru. President Bush emphasized the need to build on a regional consensus and the capability to support sustained cooperative action against the common threat of drug abuse and drug trafficking.

The Initiative, which guides U.S. counter drug efforts in Latin America, has four principal objectives. They include: (1) strengthening the political will and institutional capability of the three Andean governments (Bolivia, Colombia, and Peru), enabling them to confront the Andean cocaine trade; (2) increasing the effectiveness of intelligence, military, and law enforcement activities against the cocaine trade; (3) inflicting significant damage on the trafficking organizations that operate within the three source countries by working with host governments to dismantle operations and elements of greatest value to the trafficking organizations; and (4) strengthening and diversifying the legitimate economies of the Andean nations in an attempt to overcome the destabilizing effects felt by the cocaine problem.⁵³ Enhancing the basic goals, the U.S. has also assisted the Latin nations involved with improving trade, and provided technical assistance for financial matters on a global spectrum.

⁵³ Congressional Hearing, Andean Initiative, U.S. Government Printing Office, 6 & 20 June 1990, 98.

III. STRATEGY FAILURE ARGUMENTS AND RECOMMENDATIONS

A. ECONOMIC RELATED FAILURES

The following section will examine the primary reasons for the failure of the U.S. National Drug Control Strategy and the Andean Initiative. The reasons are grouped under two major categories-economic and political. It is understood, however, that these are overlapping explanations that need to be viewed in their totality. Each reason is followed by a summary and recommendations.

The profitability of cocaine can easily overwhelm any effort made by the United States to assist drug-producing countries in fighting drug trafficking. The cocaine trade generates billions of dollars in profits every year, often overpowering efforts to conduct legitimate economic activities.⁵⁴ That trade also threatens regional stability. The Latin American nations involved in drug trafficking simply lack much of the financial power and resources that drug traffickers possess. Drug organizations are well organized, and often as competitive as the world's leading multinational corporations. "The retail value of drugs now exceeds international trade in oil and is only second to the arms trade."⁵⁵

⁵⁴Rensselaer W. Lee III, "Economic Aid Could Not Stop Drug Production," in David Bender & Bruno Leones, eds., War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 182.

⁵⁵"United Nations Development Report 1994," Peter Arnet and Brian Barger, Kingdom of Cocaine, CNN, 25 September 1994.

The Cali drug cartel in Colombia, for example, uses the latest techniques and training in corporate management, and financial networking to achieve its average yearly profits of \$2 billion. Employing a compartmentalized approach to managing operations minimizes risk of detection by authorities. This enables the cartel to achieve its exceptional level of success year after year.

1. Drug Profitability

The argument presented by critics of the current U.S. drug war strategy focuses on the following: (1) the importance of illegal drug revenues as an integral part of the source nation's foreign exchange; (2) the vast employment opportunities the drug trade provides; and (3) the lack of support for the drug war by most Latin Americans.

Drug organizations are so financially powerful that in 1988, the Medellín cartel offered to pay off Colombia's external debt of \$10 billion in return for cancelling the nations extradition treaty with the United States.⁵⁶

Economic growth has been rather dramatic in the last few years. Some Latin American nations have not only accepted illegal drug revenues as part of their economy, but have essentially become dependent upon it.⁵⁷ No one source agrees on the vast amount of money spent every year by U.S. consumers on illegal drugs. During the 1980s, figures from one source

⁵⁶G. Pope Atkins, Latin America in the International Political System, Westview, 1989, 274.

⁵⁷Donald J. Mabry, "Andean Drug Trafficking and the Military Option," Military Review, March 1990, 34.

range from \$50 billion to \$100 billion.⁵⁸ Still other sources place the cost of consumption at higher levels, ranging from \$110 billion⁵⁹ to \$150 billion⁶⁰ a year. When estimating the broad (global) value of the drug trade however, figures vary widely, from \$100 billion to \$500 billion per year.⁶¹ No matter which estimate of the drug trade's yearly sales is correct, the fact remains that the drug cartels annual investment in their own economies have risen dramatically in the last decade.

Statistics for 1979 reveal that an estimated \$3 billion in narco-dollars were reinvested in the Colombian economy.⁶² By 1989, that figure had risen to \$5 billion,⁶³ and estimates for 1994 are reported in excess of \$7 billion.⁶⁴ When contrasting these figures with the approximate \$50 million to \$60 million per year in U.S. assistance directly for antidrug

⁵⁸Michael Massing, "Economic Aid Could Stop Drug Production," in David Bender and Bruno Leones, eds., The War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 175.

⁵⁹G. Pope Atkins, Latin America in the International Political System, Westview, 1989, 274.

⁶⁰Donald J. Mabry, The Latin American Narcotics Trade and U.S. National Security, Greenwood, 1989, 44.

⁶¹Scott B. MacDonald, Mountain High, White Avalanche, Cocaine and Power in the Andean States and Panama, Pragaer, 1989, 137.

⁶²James A. Inciardi, The War on Drugs, Heroin, Cocaine, Crime, and Public Policy, Mayfield, 1986.

⁶³Rensselaer W. Lee III, "Economic Aid Could Not Stop Drug Production," in David Bender and Bruno Leones, eds., The War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 182.

⁶⁴Peter Arnet and Brian Barger, The Kingdom of Cocaine, CNN, 25 September 1994.

efforts, the imbalance between the drug trade revenues and efforts, U.S. assistance becomes obvious.

Cocaine production is highly profitable in part because of its illegal nature, its ability to move production facilities easily, and its low level of sophistication. Production of cocaine follows a simple, vertical processing system, comprised of four phases: (1) the harvesting of coca, and its transportation to the market place; (2) the transformation of coca leaf to coca paste through chemical processing; (3) the refinement of coca paste into the "uncut" version of a powder cocaine; and (4) the mixture of chemical additives to the pure cocaine for expansion. Figure 3-1 reveals the growth rate in cocaine profits over its processing cycle.⁶⁵ It reveals the most extensive growth potential between the wholesale phase of cocaine, and retail sales after the cocaine is mixed with chemical additives to, in some cases expand its weight ten times.

The impact of the drug trade in Latin America has contributed to widespread criminal activity, including corruption and murder, and certainly has influenced the life of most Colombians. Drug cartels have consistently used to their advantage weak national governments, strained judicial systems, and the lack of support by most Latin American's to exploit their cause. The broad economic impact on Latin American economies is highly controversial.

⁶⁵Michael Kennedy, A Simple Economic Model of Cocaine Production, Rand/RP-191, 1991.

Cocaine Profitability Growth Rate

(1 Kilogram Cocaine)

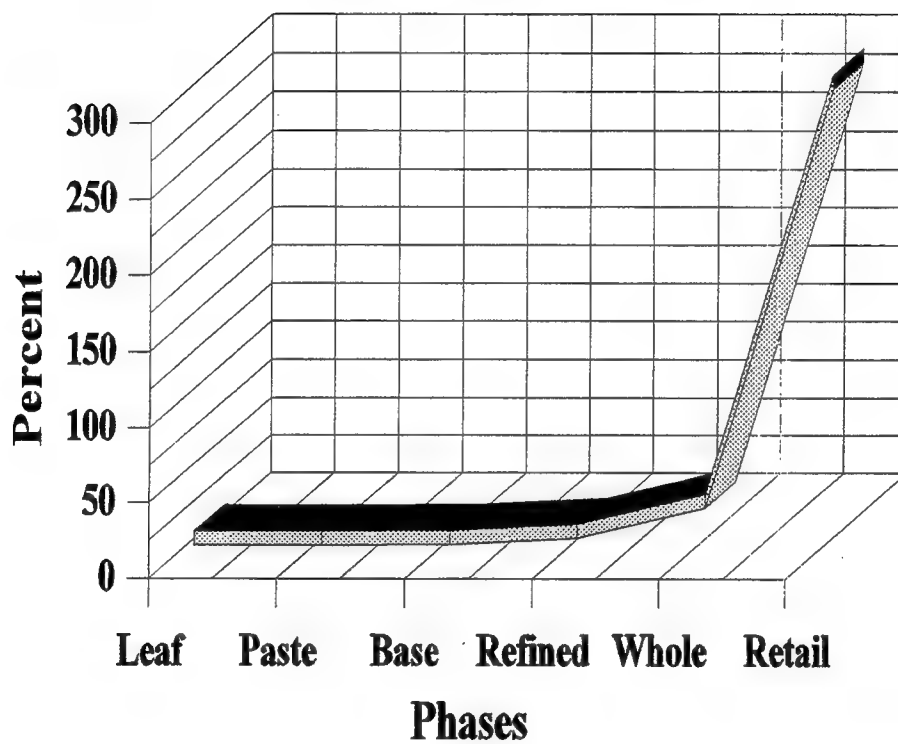


Figure 3-1. Cocaine Profitability Growth Rate

While legitimate growth and foreign trade has certainly suffered, a parallel economy emerged, subsidizing the legitimate economy quite successfully.

Drug revenues reinvested in Latin economies have had several positive effects. In Colombia, nation-wide construction, for example, showed a relatively higher growth rate than the nation's Gross Domestic Product (GDP), as a direct result of drug money. The rise in construction, private business, shopping centers, and hotels have been relatively steady. Figure 3-2 compares national growth in construction with Colombia's Gross Domestic Product (GDP) during the primary drug war period.⁶⁶

⁶⁶James W. Wilkie, Statistical Abstract of Latin America 1993, Vol 30 (The Regents of the University of California, 1993), 1250.

Colombian Annual Growth Rate

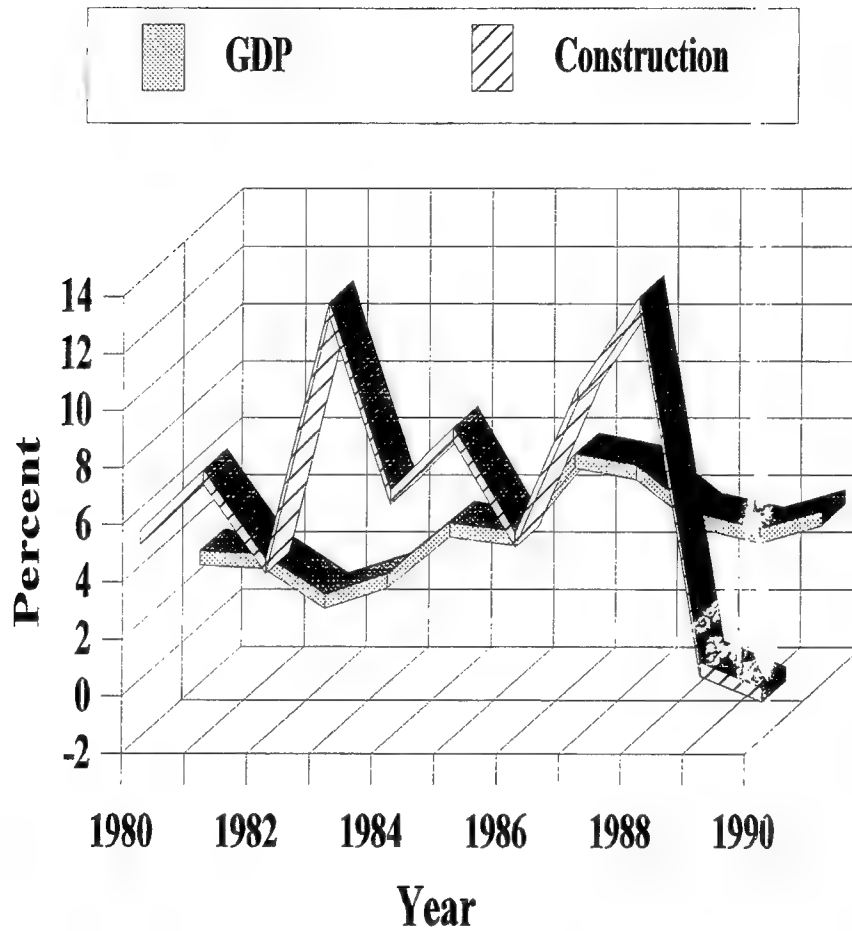


Figure 3-2. Colombian Annual Growth Rate

While construction growth prospered in the 1980s, legitimate agriculture became highly unstable. In 1978 for example, Colombia's agricultural sector produced no coca,⁶⁷ with the primary suppliers of coca to the drug trade being Bolivia and Peru. By 1983, Colombia had not only established itself as a producer and distributor of cocaine throughout the world, but also a cultivator of coca as well, utilizing between 25,000 hectares and 30,000 hectares. Data for agricultural growth trends in the Andean nations considered source countries indicate that drug cartels all maintain a strong agricultural base with the cultivation of coca. Figure 3-3 provides the historical trends of legitimate agriculture, and conveys that the drug trade has contributed to wide-spread instability.⁶⁸ It does not, however, reveal comparative data relating to illicit agricultural growth from the drug trade.

⁶⁷Michael Massing, "Economic Aid Could Stop Drug Production," in David Bender and Bruno Leones, eds., The War on Drugs, Opposing Viewpoints (Greenwood, 1990), 177.

⁶⁸James W. Wilkie, Statistical Abstract of Latin America 1993, Volume 30 (The Regents of the University of California, 1993), 1250.

Andean Nations Agricultural Growth

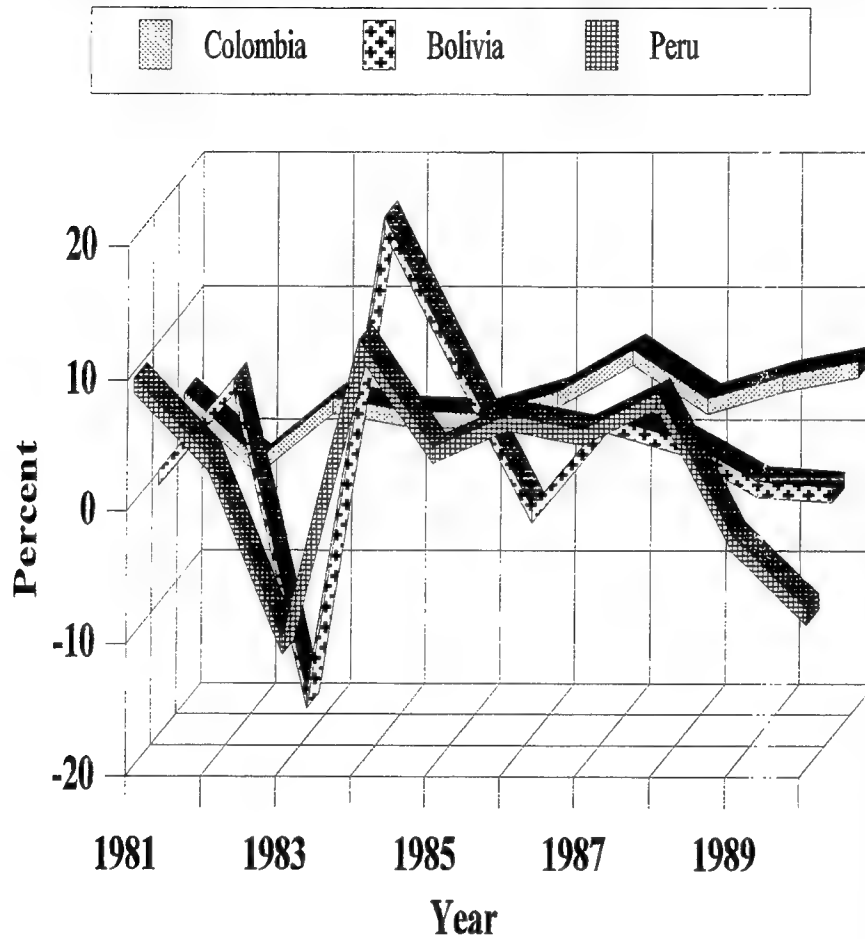


Figure 3-3. Andean Nations Agricultural Growth

As the drug trade has subsidized national growth in some sectors, it has also created a parallel source of nation-wide employment. Jobs in the drug trade traditionally pay higher salaries than most legitimate jobs. As an example, a peasant cultivating legitimate crops may earn \$2 to \$3 per day, and only if the products make it to market. Drug traffickers often pay \$10 or more per day.

Employment in Colombia has benefitted from its integration into the drug trade. For example, in 1987, drug profits directly invested in Medellín's economy, created 28,000 new jobs.⁶⁹ Estimates for employment in the drug trade vary as much as the net value of the drug trade itself. During the 1970s, sources estimated that 30,000⁷⁰ to 150,000⁷¹ Colombians were actively employed in illegal drug cultivation and production. Estimates for the 1990s indicate that 500,000 to 1 million individuals in Colombia earn a living directly linked to the drug trade. Statistics indicating high levels of unemployment (Figure 3-4) only account for "legitimate" employment, not those employed in the drug trade.⁷²

⁶⁹Rensselaer W. Lee III, "The Cocaine Dilemma in South America," in Donald Mabrys, eds., The Latin American Narcotics Trade and U.S. National Security (Greenwood, 1990), 61.

⁷⁰Dennis M. Hanratty and Sandra W. Meditz, Colombia, A Country Study, Library of Congress Cataloging, 1990, 128.

⁷¹Scott B. MacDonald, Mountain High, White Avalanche, Cocaine and Power in the Andean States and Panama, Praeger, 1989, 53.

⁷²James W. Wilkie, Statistical Abstract of Latin America, 1993, Vol 30 (The Regents of the University of California, 1993), 1250.

Andean Nation Legitimate Unemployment

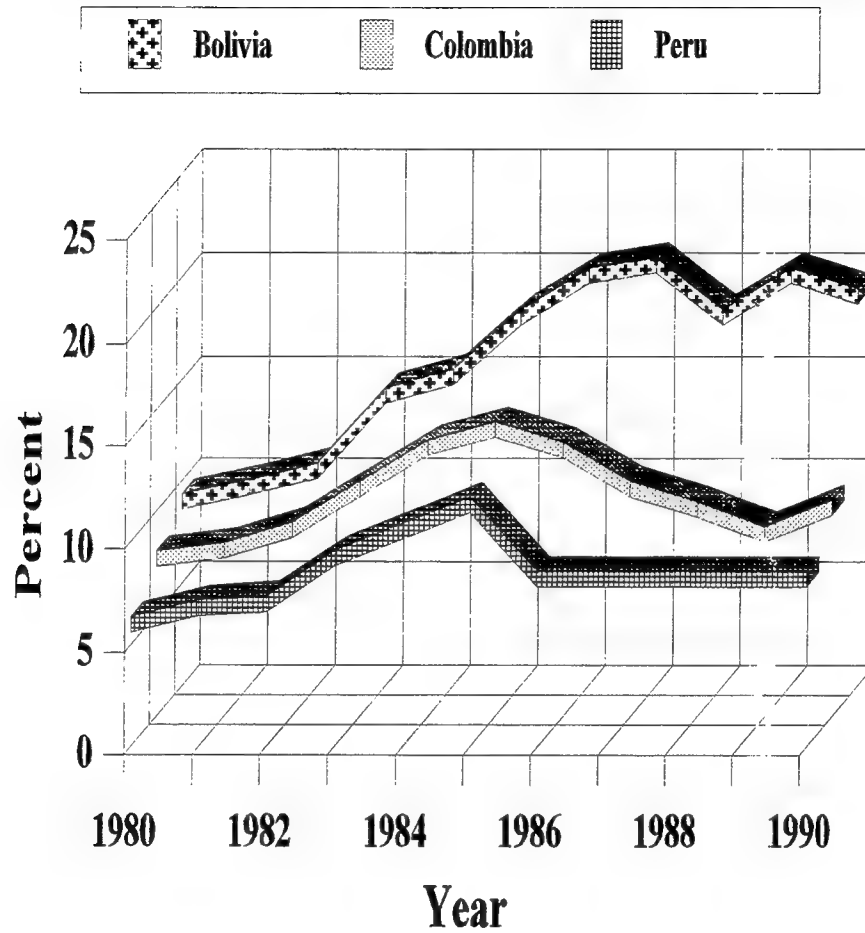


Figure 3-4. Andean Nation Legitimate Unemployment

To claim, that all economic aid by the United States has no effect on the drug war in Latin America would be an overstatement. However, based on the facts presented, the likelihood for success of U.S. economic assistance to drug producing countries is questionable. Future success in the drug war effort may depend on a more flexible U.S. policy that addresses consumption in addition to supply, and which is more cognizant of the problems confronting drug producing countries.

Similarity of interest is essential for bilateral operations. If U.S. interests differ significantly from those of participating source nations, then policy should be adjusted to reflect those changing interests. Past history has enabled critics to agree that coercive measures in policy implementation have not always worked. Latin American nations, once cornered into submission by the threat of communism, insurgency, and drug problems, now have more leverage when considering cooperation. The United States needs to construct a policy that is consistent with these regional changes.

In conclusion to this section, the disproportionately large amount of money invested in Latin American economies every year by drug cartels has easily outweighed the millions of dollars directed at combatting drug trafficking. This suggests that the U.S. effort should be redirected at the demand side of the equation, focusing instead on the illegal consumption of an estimated 165,000 pounds of cocaine by millions of Americans every year. Drug profitability, as many critics argue, is not approachable, when considering any type of effective antidrug policy. The United States cannot compete with drug traffickers that invest over \$7 billion annually in their respective economies. The only successful policy

recommendation for targeting and overcoming drug profitability is to take the profitability out of drugs, that derives from their demand. Focusing on demand-related education, treatment, and enforcing antidrug laws, is the only means to achieve success.

2. Money Laundering

The profits of cocaine trafficking have overwhelmed U.S. efforts in the drug war. The financial impact of money laundering through government institutions, real estate ventures, banking, and private businesses has been severe on the economies of the world. In failing to achieve long term results, the drug war has forced U.S. policy-makers to consider alternate measures in targeting illegal drug trafficking. Alternative efforts to destroy drug trafficking operations have also focused on the disruption of the cash flow of drug organizations. Drug traffickers, like any multinational corporation require a constant source of capital to finance operations. Traffickers use drug profits to fund their business, support lavish lifestyles, and increase their wealth and power.

The drug control strategy seeking to disrupt and destroy drug trafficking organizations has failed. Because the demand for drugs continues to remain high, additional measures have been instituted to supplement efforts. To effectively deny drug trafficking organizations the ability to transfer, invest, and enjoy the profits of their business, policy-

planners have targeted money laundering operations as an integral part to strategy success.⁷³

Money laundering has been a problem for a long time but it seems to have grown recently in both scope and volume. In 1982, one of the earlier, more noteworthy money laundering cases in the United States, was the Great American Bank of Dade County, Florida, which was charged with laundering \$96 million for drug traffickers.⁷⁴

Latin America was targeted by money laundering organizations in the late 1970s, with the rise of drug trafficking. By 1979, money laundering had become well established in Panama. Even with the collapse of the Manuel Noriega regime as a result of the U.S. invasion in Panama, it still remains a money laundering center. In the Caribbean, Jamaica (1981), the Bahamas, Barbados, Curacao (1983), and Trinidad and Tobago (1986) all had been sites of extreme money laundering operations.

In Latin America, nations including Colombia, Venezuela,⁷⁵ Paraguay, Uruguay, and Ecuador have all been centers for money laundering.⁷⁶

⁷³National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., January 1994, 43.

⁷⁴"Miami's Great American Bank of Dade County used by South American Narcotics Traffickers to Launder Drug Profit Money," Miami Herald, 14 December 1982.

⁷⁵Scott B. MacDonald, Mountain High, White Avalanche, Cocaine and Power in the Andean States and Panama, Praeger, 1989, 9.

⁷⁶Peter Truell and Larry Gurwin, False Profits, The Inside Story of The World's Most Corrupt Financial Empire, Houghton Mifflin, 1992, 211.

With the cocaine trade centered in Colombia, banking institutions have, as a result, experienced considerable growth. In 1983, the BCCI acquired a Colombian bank, and added seven more new branches by 1987, all involved in extensive money laundering operations. As part of its anti-money laundering operations, the U.S. Drug Enforcement Administration, and Justice Department, arrested and extradicted Eduardo Martínez, chief financial officer for the Medellín cartel in Colombia. Martínez revealed at that time, that he had laundered more than \$1.1 billion in the United States during 1989 for drug traffickers.⁷⁷

Presently, the most active region for money laundering operations are the Cayman, and British Virgin Islands. In the BVI, banking institutions in 1974 totaled 100. By 1994, current estimates numbered banking establishments in excess of 550. Today, international economists estimate that over 60 percent of the world's money both legitimate and illegal, resides offshore.⁷⁸

Money laundering operations combine a lucrative mixture of legitimate banking services with illegal methods of money management. Typically, these institutions, on the request of the client will establish an anonymous corporation that ultimately covers the identity of the client. The bank, acting as director of the false corporation retains all signatory authority to conduct financial transactions. The total number of registered corporations in the British Virgin Islands alone has increased from 5000 in 1974, to over 120,000 in 1994.

⁷⁷FBIS-LAT-93-190, Colombia, 4 October 1993.

⁷⁸Gavin Hewitt, "Hot Money," Frontline, 1 November 1994.

British laws governing banking operations in their territories require client confidentiality, thus limiting any investigative efforts by U.S. authorities. This allows drug traffickers to operate anywhere in the world, with no visible ties to any bank or account. Profits deposited by drug traffickers are professionally managed through distribution and investment of funds in legitimate businesses throughout the world.

To attack the money laundering problem, U.S. policy-makers have attempted on several occasions to implement measures that target drug profits. Initial efforts integrated the Bank Secrecy Act of 1970 with modern money laundering operations. Originally intended to target tax cheaters, this law included the Currency Transaction Report (CTR), which requires financial institutions to report transactions of \$10,000 or more.⁷⁹

Until the passage of the Money Laundering Control Act of 1986, money laundering was not actually defined as illegal. Additional legislation introduced the Money Laundering Prosecution Improvement Act of 1988, and the Anti-Drug Abuse Act of 1988 which included several key areas in countering money laundering operations. The CTR concept has shown some positive results in "cooperation" with financial institutions as indicated by Figure 3-5.⁸⁰ It does not however prove a substantial reduction in money laundering operations. To

⁷⁹Money Laundering: The U.S. Government Is Responding to the Problem, U.S. General Accounting Office, GAO/NSIAD-91-130, May 1991.

⁸⁰Drugs, Crime, and the Justice System, a National Report, Office of Justice Programs, Bureau of Justice Statistics, U.S. Department of Justice, NJC-133652, December 1992, 154.

counter this legislation, drug traffickers use "smurfing" or structuring, the legal conversion of cash in amounts less than \$10,000.

To promote international efforts, the U.S. established a Financial Task Force designed to combat money laundering with the participation of several other countries at the United Nations Convention of 1988. At the 1989 Economic Summit in Houston, the United States was the principal advocate in establishing the Financial Action Task Force (FATF I) that introduced recommendations challenging international money laundering. The 1990 Economic Summit produced FATF II, a five year program to achieve a broad-based international agreement against money laundering. The United States also

U.S. Department of Treasury

Currency Transaction Reporting (CTR)

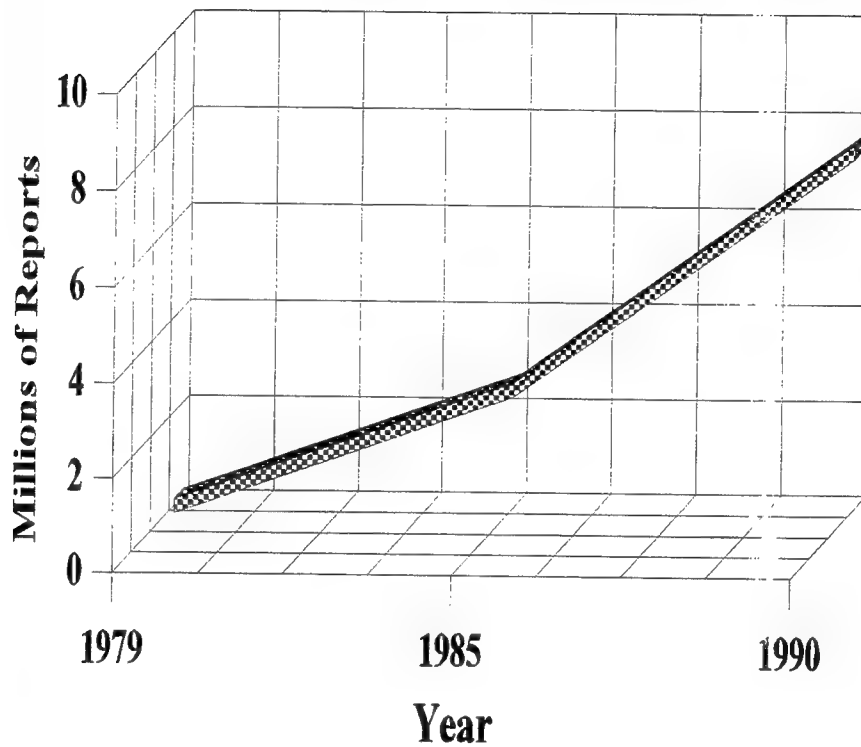


Figure 3-5. U.S. Dept of Treasury Currency Transaction Reporting (CTR)

participated in more regionally-focused efforts with the 1990 Caribbean Drug Money Laundering Conference and the Organization of American States' Financial Action Initiative.

To consolidate interagency cooperation with financial information, the U.S. Treasury established the Financial Crimes Enforcement Center Network (FINCEN). Its mission is (1) to disrupt money laundering operations by denying access to legitimate channels of banking by money launderers; (2) to identify, freeze, and seize assets; and (3) to indict, arrest, and prosecute individuals involved with money laundering operations.⁸¹ As a sign of progress, in Colombia the Attorney General's Office had no fewer than 4,200 corruption cases under investigation involving the national police, and 1,700 cases involving the armed forces, by late 1989.⁸² Additionally, in a recent joint effort by the U.S. Drug Enforcement Administration and U.S. Internal Revenue Service, "Operation Dinero" recently penetrated the Cali cartels operation, and resulted in the seizure of \$52 million in cash and assets in five countries, nine tons of cocaine, and 88 arrests.⁸³

Critics of both drug war and money laundering policy argue that most efforts have been ineffective due to the following: (1) the economy of many nations are financially dependent upon the drug trade and stand to lose more by cooperation; (2) several countries are wary of penalizing legitimate financial

⁸¹Pierre Thomas, "Six Colombian's Indicted In Atlanta On Drug-Money Laundering Charges," Washington Post, 28 June 1994.

⁸²Miami Herald, 30 November 1989.

⁸³"Cali Drug Cartel's Operations Penetrated," Monterey Herald, 17 December 1994.

transactions; (3) the nations impacted by money laundering have different perceptions of U.S. antidrug policy, and different ideas on policy implementation;⁸⁴ and (4) U.S. decision-makers often have been impatient requiring immediate results, while the fight against money laundering is a long-term battle.⁸⁵

With many countries promoting banking secrecy, the requirement to obtain evidence from foreign banks by U.S. investigators has been extremely difficult. The cooperation U.S. investigators receive in money laundering cases can depend upon the U.S. relationship with that nation, its susceptibility to U.S. pressure, and that nation's perception of how its cooperation will affect its financial well-being.⁸⁶ When investigators encounter difficulties, they must often use foreign lawyers, or go through a lengthy process involving the U.S. State Department overseas. In some nations, cooperating banks will notify its clients, alerting them that action is required.

In conclusion, the centralization of control in the United States for anti-money laundering operations can be criticized as being inefficient, biased, and a disruptive response to international law enforcement. The United States needs not to centralize power, and authority, that infringes upon foreign

⁸⁴Mary Beth Sheridan, "Colombia Preparing Plan To Fight Money Laundering," Miami Herald, 6 September 1994.

⁸⁵Illicit Narcotics, Recent Efforts to Control Chemical Diversion and Money Laundering, U.S. General Accounting Office, GAO/NSAID-93-34, December 1993, 3.

⁸⁶Ethan Nadelmann, "Unlaundering Dirty Money Abroad, U.S. Foreign Policy and Financial Secrecy Jurisdictions," Inter-American Law Review, 1986, 18.

sovereignty, but fully participate in joint and cooperative efforts that target criminal organizations.⁸⁷

To succeed in the campaign against money laundering, the United States must impose stricter banking legislation world-wide, by expanding legislative efforts to fully criminalize all direct, and peripheral aspects in money laundering operations. The United States needs to enhance asset forfeiture programs, and use those seizures to fund future money laundering investigations. The key issue remaining for the United States is to continue emphasis on improving foreign relations. International cooperation is critical, and must include emphasizing the removal of legislative, and banking barriers, such as bank secrecy laws, and placing limitations on bank "holding company" management. This cooperation should also target international banking and non-banking institutions, as well as assisting foreign nations involved in regional money laundering investigations.

Past performance of U.S. policy toward Latin America must be restructured to better integrate with the region in the post cold war era. Inadequate U.S. financial aid for antidrug programs (as described in previous sections III.A.3), the past history of coercive policy implementation by the United States must all be adjusted to improve cooperation with foreign nations.

⁸⁷Donald J. Mabry, The Latin American Narcotics Trade and U.S. National Security, Greenwood, 1989, 120.

3. Foreign Assistance Programs

The United States has focused most of its antidrug assistance on the Andean nations of Latin America. Of the international drug budget, Bolivia, Colombia, and Peru received 59 percent of \$633 million in 1991, and 59 percent of the \$690 million in 1992. In 1992, these funds were distributed as follows: 62 percent toward economic assistance, 36 percent for the military, and the remaining 2 percent for DOD-provided equipment. The United States supports antidrug efforts financially in the Andean nations through the International Narcotics Control Program. Major responsibilities are assigned to three primary agencies: (1) the Department of State's Bureau of International Narcotics Matters (INM); (2) the Drug Enforcement Administration (DEA); and (3) the Agency for International Development. The INM has overall responsibility for financing antidrug efforts, and is represented in U.S. embassies in both Bogota, Colombia, and La Paz, Bolivia.

The roots for financial aid programs to Colombia were established with the Foreign Assistance Act of 1961, a framework for U.S. bilateral assistance to other nations. There are four basic goals that are targeted by this program: (1) policy advisement to recipients; (2) research and technology transfer; (3) institution-building for expanded national growth; and (4) promotion of private sector growth.⁸⁸

⁸⁸Foreign Aid, Problems and Issues Affecting Economic Assistance, U.S. General Accounting Office, GAO/NSIAD-89-61BR, December 1988, 8.

The following section highlights U.S. financial programs implemented to assist Colombian antidrug efforts.

Foreign Assistance Act of 1961, Section 506 (A) (1)

In 1989, \$65 million in emergency assistance went to Colombia after one of its presidential candidates was assassinated by suspected drug cartel members. This provided for military equipment to combat drug trafficking.⁸⁹

Foreign Assistance Act of 1961, Section 506 (A) (2)

In 1990, \$20 million in emergency assistance went to Colombia, although that country was in a state of emergency, which had been declared by the president in 1989. This program provided \$17 million for the Colombian military, and \$3 million for law enforcement. At this time however, ammunition and weapons were not delivered due to United States involvement in the Gulf War.⁹⁰

Foreign Military Financing Program Assistance

Under section 3 of the International Narcotics Control Act of 1989, counternarcotics law enforcement and military aid was authorized to Colombia. In 1990, \$48.8 million in

⁸⁹Drug War, Observations on Counternarcotics Aid to Colombia, U.S. General Accounting Office, GAO/NSAID 91-296, 1991, 29.

⁹⁰Ibid, 30.

assistance was authorized.⁹¹ That figure increased to \$106 million in 1991, \$117.1 million in 1992, and \$137 million in 1993.⁹² Financing was provided for military equipment, the training of specialized troops, weapons, and ammunition. Program restrictions however, allowed only approximately one third of the funds to be delivered to Colombia due to the following: (1) U.S. administrators felt Colombia was utilizing the funds for counter-insurgency operations; (2) bilateral agreements had not yet been signed; and (3) letters of "offer and acceptance", between the U.S., and Colombia were not complete.

**U.S. State Department International Narcotics Control
Assistance Section 481**

Developed as part of the Foreign Assistance Act of 1961, this State Department program has provided funds to law enforcement agencies under the International Narcotics Control Program. In 1990, \$10 million was allocated. Distribution of funds included \$8 million to the Colombian National Police for spare parts and tools to maintain equipment, \$1 million for judicial protection, and \$1 million for national education and awareness programs.⁹³

⁹¹Ibid, 31.

⁹²National Drug Control Strategy Budget Summary 1992, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., January 1992, 152.

⁹³Drug War, Observations on Counternarcotics Aid to Colombia, U.S. General Accounting Office, GAO/NSAID 91-296, 1991, 32.

Defense Department Assistance

In 1990, \$5 million was provided for improvement of intelligence capabilities for law enforcement and military agencies conducting antidrug operations.

Other Foreign Military Financing Program Assistance

As part of the Foreign Operations Export Financing and Related Programs Appropriations Act of 1990, \$3 million was provided for equipment, weapons, ammunition, and police helicopters.

Export - Import Bank Loans

Under the Anti-Drug Abuse Act of 1988, \$200 million in loan guarantees were provided to Colombia for 1989 and 1990. The Export-Import Bank will guarantee 85 percent of any loan value, if Colombia can guarantee the remainder. Under this program, Colombia has purchased \$84 million in equipment for antidrug operations.⁹⁴

In conclusion, although millions of dollars have been transferred to the Andean nations for antidrug efforts, there has been little success as a result of the funding programs. For example, between August 1989 and September 1990, the United States provided or programmed to Colombia \$236 million in antidrug assistance for military and law enforcement agencies, \$65 million in emergency aid, \$122 million in grant

⁹⁴Ibid, 34.

aid, and \$84 million in loan guarantees. During the same period, the United States provided Peru \$19 million in law enforcement aid.

Most critics argue that although U.S. efforts appear genuine, they leave financial aid recipients very little flexibility. An example is the planning of financial aid packages for antidrug operations. The U.S. Congress specifically demanded that antidrug funds not be used for combating insurgency. Critics argue that drug traffickers and insurgency groups in many Latin American nations are tied together. For example, the Revolutionary Armed Forces of Colombia (FARC), an insurgency group, has not only established relations with drug cartels, but conducts drug trafficking operations. Documentation obtained by authorities indicated that FARC leaders had instructed members in seven of its 33 fronts to extort from drug traffickers, totalling \$563,380 monthly.⁹⁵

The following represents a partial list of reasons that have been posited to explain why U.S. assistance programs are not effective in targeting drug trafficking in Colombia: (1) traditionally, the civilian and police agencies of Colombia maintain weak planning programs for policy implementation; (2) Colombia is at war with both drug traffickers, and insurgency groups, thus hindering efforts in direct antidrug operations; (3) drug cartels in Colombia have expanded their operations to include heroin production, and opium cultivation; meanwhile authorities are still struggling to overcome the cocaine problem; and finally (4) although Colombia is the

⁹⁵"Doubts over FARC's Peace Commitment," Andean Group Report: Rand, RA-89-04, 22 January 1989.

center for cocaine distribution, the drug problem is regional. Therefore, Colombian antidrug programs will only succeed if regional programs are effective as well.⁹⁶

Some critics argue that U.S. financial aid for antidrug programs is too restrictive, and refer to various measures proposed by the U.S. government as coercive tools to ensure cooperation by aid recipients. The United States has the options to: (1) invoke a 50 percent suspension of economic assistance in any fiscal year for non-compliance of U.S. policy guidelines when a source country is not cooperating; (2) to invoke a 100 percent suspension of economic assistance for any source nation that fails to certify (full cooperation with U.S. policy); (3) threaten to vote against source nations when they apply for loans through multilateral banks; (4) fail to allocate sugar quotas to source nations; (5) threaten to invoke duty increases, up to 50 percent of the value on source nations exports to the United States; (6) institute an interruption of air transportation and commercial traffic to and from source nations; and (7) withdraw U.S. participation in pre-clearance customs agreements with that source nation.⁹⁷

Some critics argue that the U.S. Congress has developed a coercive policy that leaves limited flexibility for other nations to follow. During the cold war era, coercive diplomacy by the United States worked quite effectively throughout Latin America. With the constant threat of

⁹⁶The Drug War, Colombia is Implementing Antidrug Efforts, but Impact is Uncertain, U.S. General Accounting Office, GAO/T-NSIAD-94-53, 5 October 1993, 5.

⁹⁷Raphael Perl, "International NarcoPolicy and The Role of the U.S. Congress," in Donald Mabrys, eds., The Latin American Drug Trade and U.S. National Security (Greenwood, 1989), 92-93.

communist expansion by the former Soviet Union, Latin American nations had little choice but to accept U.S. pressure. Presently, however, Latin American nations do have more latitude as U.S. policy-makers are learning. U.S. influence does not carry the same weight it once did, and coercion must be replaced with flexible policy measures to ensure cooperation and regional improvement.

Future U.S. policy must allow for flexibility on the part of the governments of drug source nations in the use of funds to combat drug traffickers, as well as insurgents.⁹⁸ U.S. policy-makers must improve the control of programs and the management of financial assistance to better monitor policy achievements. This can be achieved by improving relations between United States embassy personnel and their counterparts, and by bettering relations with foreign military and police agencies.

4. Corruption

Corruption is often associated with drug trade. Throughout government, military, and security forces of Latin American source countries, lies the potential, and in many cases, the presence of corruption linked to the drug trade. This consequently results in compromising the professionalism, integrity, and effectiveness of those involved in antidrug efforts. It also contributes to destabilizing democratic governments. It is difficult to strengthen democratic

⁹⁸The Drug War: Counter-narcotics Programs in Colombia and Peru, U.S. General Accounting Office, GAO/T-NSIAD-92-9, 20 February 1992, 2.

institutions when money from illegal narcotics buy police,⁹⁹ military personnel, politicians,¹⁰⁰ and public officials.¹⁰¹

Drug traffickers, unlike insurgency groups, do not desire to overthrow the national government. Their use of corruption is a means to protect themselves from authorities while continuing operations. Essentially, corruption is an avenue of protection for drug traffickers, by those who are successfully bribed.

Those who succumb to corruption do so for two distinct reasons. The first is obviously the financial benefit. When those in authority acquire wealth, power and prestige follow. The second and more critical reason is survival. Drug traffickers are notorious for using violence against those who are uncooperative. To better illustrate the existence of narcocorruption, several examples are provided.

In Colombia, from 1973 to 1974, there were 16.8 murders per 100,000 people. By 1987, there were 52.8 murders per 100,000 people. This translated into the murders of 16,200 that year, which was considered the worst year for such violence.¹⁰² Contrasting this figure with the United States,

⁹⁹"Official, Cali Cartel Bribes Police," Miami Herald, 20 August 1994.

¹⁰⁰"Drug Lords, We Offered Cash to Candidates," Miami Herald, 14 July 1994.

¹⁰¹Christopher Marquis and Gerardo Reyes, "Scandal Taints Colombia's New Leader," Miami Herald, 23 June 1994.

¹⁰²James M. Malloy, Latin American and Caribbean Contemporary Record, Holmes and Meier, 1990, 794.

estimates confirm that there were 17,963 murders with 4.9 percent being drug-related.¹⁰³

In 1987, drug related violence against public figures in Colombia resulted in the death of over 50 judge magistrates, 12 journalists, and over 400 military personnel and policemen.¹⁰⁴

A Colombian policeman who earns \$128 a month may receive an additional \$225 a month from drug traffickers. A police captain who earns \$180 a month may receive as much as an additional \$5000 a month from drug traffickers.¹⁰⁵

While traveling in Colombia, Pablo Escobar, the former leader of the Medellín cartel in Colombia, was stopped at a police check point outside Medellín in November 1986. To avoid apprehension, Escobar reportedly paid police officials \$250,000 to \$350,000.¹⁰⁶

In an effort to combat drug-related corruption within its ranks, in 1989 the Colombian military released 2,100 personnel including 130 officers. In a similar fashion, the National Police released over 2000 police officers including the former commander of the National Police. Offenses connected to

¹⁰³Drugs and Crime Facts 1992, Office of Justice Programs, Bureau of Justice Statistics, U.S. Department of Justice, NCJ-139561, March 1993, 8.

¹⁰⁴James M. Malloy, Latin American and Caribbean Contemporary Record, Holmes and Meier, 1990, 796.

¹⁰⁵J.B. Treaster, "Colombian Policemen and Soldiers are Reportedly Tipping Off Drug Figures," New York Times, 4 September 1989.

¹⁰⁶Rensselaer W. Lee III, "The Cocaine Dilemma in South America," in Donald Mabrys, eds., The Latin American Drug Trade and U.S. National Security (Greenwood, 1989), 66.

drug traffickers included corruption, weapons smuggling, and participation in terrorist acts.¹⁰⁷

The Attorney General's Office of Colombia reported that an army captain and two lieutenants assigned to prison duty while Pablo Escobar was incarcerated received 500,000 pesos a piece each time they allowed the entry of vehicles, portable phones, books, motorcycles and other items.¹⁰⁸

In May 1991, the three Ochoa brothers, former leaders of the Medellín cartel in Colombia, surrendered under the Colombian government's new policy immunity from extradition to the United States. Although incarcerated, they continued to operate one of the largest drug trafficking networks in Latin America from a special prison outside Medellín.

As the previous examples indicate, corruption is widespread, and reaches everywhere. Using Colombia as a case study has suggested exactly how successful drug traffickers are at implementing their policy. Colombian officials have generally been given two choices regarding corruption, accept or be killed.

Sources indicate that the pressure was so extreme by cartel members in Medellín, that an estimated 80 percent of police officials had been corrupted.¹⁰⁹

In conclusion, U.S. policy-makers must assess the level of drug-related corruption in formulating and implementing antidrug policies.

¹⁰⁷A. Oppenheimer, "Drug Traffickers Corrupt, Infiltrate Colombian Forces," Miami Herald, 30 September 1989.

¹⁰⁸FBIS-LAT-93-176, Colombia, 14 September 1993.

¹⁰⁹James Inciardi, Handbook of Drug Control in the United States, Greenwood, 1990, 330.

B. POLITICAL RELATED ARGUMENTS

The U.S. war against drugs is a political issue. Initial attempts to consolidate antidrug efforts were conducted politically, through the creation of the Drug Enforcement Administration in 1973. Subsequent action for drug war efforts all evolved from some type of political action: the Anti-Drug Abuse Acts of 1986 and 1988; the creation of the Office of National Drug Control Policy; the National Drug Control Strategy; and the Andean Initiative.

Critics of the drug war contend that the failure of the drug war has political roots. The following provides some of the more common arguments.

1. U.S. Military Employment Inappropriate

Various critics have argued that the militarization of the war on drugs is inappropriate, not cost effective, and detrimental to foreign relations. The following provides some of the most common arguments that criticize U.S. military involvement in the war on drugs, and will include recommendations. They include: (A) source nation civil-military relations; (B) source nation political sovereignty; (C) source nation political and public support; (D) current drug policy failure; (E) military role in law enforcement as inappropriate; (F) U.S. civil-military relations; and (G) cost ineffectiveness.

(A) Source Nation Civil-Military Relations

Historically, the militaries in Latin America have been influential political actors. In many instances the military have been so strong, that civilian governments have had difficulty in controlling them. This argument maintains that as the United States strengthens a source nation's military and police forces (a goal for the U.S. Department of Defense in the antidrug role), it concomitantly decreases that nation's civilian control of the military. This could destabilize democracy in the source country.¹¹⁰

When coordinating antidrug policy, U.S. decision-makers should consider all types of assistance given and the possible consequences of that assistance if not carefully monitored. Maintaining minimal U.S. military presence for antidrug operations in Latin America can be accomplished through embassy and military action group (MAG) assignments.

(B) Source Nation Political and Public Support

Some Latin American nations have a poor record concerning human rights. If the people are continually targeted by military and police forces that are conducting antidrug operations, the public support for such efforts is likely to diminish. Complementing this lack of support is the strain upon that nation's political structure.

¹¹⁰The Drug War: U.S. Programs in Peru Face Serious Obstacles, U.S. General Accounting Office, GAO-NSAID-92-36, October 1991, 23.

Counter-drug operations are often portrayed as infringements on the civil liberties of its citizens. When antidrug efforts are tied to virtually all aspects of U.S. foreign policy, Latin American politicians also consider its coercive implementation as infringing upon the that nation's sovereignty. When told what to do, rather than being given the choice to cooperate, the nation sacrifices the ability to make its own decisions. More conservative Latin American politicians view narcodiplomacy as a means to enhance their personal wealth, power, and prestige by using their positions to acquire access to U.S. funding and drug corruption money. This is revealed by the widespread corruption that accompanies the drug trade.

The United States has consistently accused Latin American source nations of not making antidrug programs a priority issue. The reason however, is quite logical. The belief is strong in most Latin American nations that illegal drug trafficking is not so much their problem, but a problem of the United States with its 10 million drug abusers.

(C) Military Role in Law Enforcement as Inappropriate

Drug abuse and the myriad of problems associated with it are social issues and do not fall under the roles and missions traditionally or legally given to the military. Even with the vast resources and extensive capabilities of the U.S. Defense Department, its structure, training and equipment is built around military-to-military confrontations and not law enforcement activities. Directing DOD assets to be utilized in a law enforcement role, as in antidrug operations, will

reduce military readiness that provides for the national security of the United States.

(D) U.S. Civil-Military Relations

The Posse Comitatus Act prohibits Army and Air Force personnel from conducting law enforcement activity and subsequent DOD regulations provide the same restrictions for the Navy. These measures were employed by civilians to protect civilians from abuse by federal armed forces. If U.S. military forces were to intervene domestically in antidrug efforts, the civil liberties of U.S. citizens would be jeopardized. Critics argue that this could eventually lead to military forces gaining too much strength in the civilian sector with no checks and balances.

(E) Cost Effectiveness

The expenditures of U.S. military efforts in countering illegal drug trafficking have been significant. Financial problems exist, starting with the chaotic bureaucracy that accompanies antidrug funding. There are so many different agencies involved, that there is no real centralized control over allocation of financial resources.¹¹¹ There is a considerable struggle between federal, state, and local agencies in the counter-drug war. Future military force structure reductions and budget cuts would leave forces with

¹¹¹G. Witkin, "How Politics Ruined Drug War Planning," U.S. News & World Report, 22 February 1993.

less assets, taking on more commitments, with less money to fund operations.

In conclusion, critics of the current drug strategy agree that the solution is not to be found solely in the source and/or transshipment nations, but in the demand-side of the problem as well. If U.S. military forces are to continue with drug-interdiction operations, the following concepts should be considered.

The first key to successful drug interdiction is accurate and shared intelligence. This was one of the assigned missions to the military by the Defense Authorization Act of 1989, and voiced as a major concern by participating law enforcement agencies involved in antidrug efforts.

The second key to successful drug interdiction is a single chain of command. Current efforts involve many different agencies, and assets with no centralized control. This is one significant problem that will continue to strain effectiveness in the antidrug policy.

The third key to successful drug interdiction is a collective communication network that allows all participating forces to communicate securely. The absence of a real time communications capability severely impacts the effectiveness of mission performance.

The final key to successful drug interdiction are clear rules of engagement. Just as in military operations, antidrug operations must have clear and concise guidelines for participating forces. It is understandable that drug traffickers will not follow those guidelines, but for military personnel, pre-established rules must apply. The military as a warfighting institution lacks law enforcement training and

experience that law enforcement agencies possess, thus cannot be expected to conduct antidrug missions with proficiency.

To continue with U.S. military involvement in antidrug operations, it is recommended that military procedural guidelines provide law enforcement training that ensures operational readiness for the mission (antidrug), and to remove restrictive measures (Posse Comitatus) placed upon military assets during such operations.¹¹²

2. Drug Cartels Are Too Powerful

The drug cartels of Colombia have created extremely chaotic conditions throughout much of Latin America both socially and politically. Their awesome level of power and influence is derived from the drug profits, well organized drug networks, well trained private armies, and by implementing violence when necessary to achieve their goals. Their capabilities are so extensive, that in many cases their resources are far more advanced than those of the host nation in which they operate.

Drug traffickers possess significant supplies of money. This enables them to acquire the most sophisticated intelligence networks, superior communications, aircraft, surface vessels, transportation vehicles, and state of the art weaponry.¹¹³ Drug organizations have access to the most advanced technology because of their financial might.

¹¹²House of Representatives and Senate Hearing, The Role of the Military in Drug Interdiction, U.S. Government Printing Office, May and June 1988, 34.

¹¹³Donald J. Mabry, "Andean Drug Trafficking and the Military Option," Military Review, March 1990, 33.

The type of weaponry that drug organizations possess is illustrated by the following. In February 1988, a joint U.S.-Mexican investigation of Colombian and Mexican drug organizations resulted in the seizure of 360 AK-47 assault rifles, 145,000 rounds of ammunition, six U.S.-made military rifles, metal detectors, infra-red rifles scopes, and 92 bayonets.¹¹⁴

Narcoterrorism is considered one of the most important challenges confronting the Andean source nation governments.¹¹⁵ With Latin American insurgency groups becoming more involved with drug trafficking, this presents a double-edged sword for legitimate forces to target. The drug traffickers are willing to commit exceptionally violent acts in order to achieve operational success. The following incidents reveal just how far these drug organizations are willing to go. During the period from 1981 to 1990, 2,250 Colombian National Police were killed in action while conducting antidrug and counter-insurgency operations. In 1984, the Justice Minister of Colombia was assassinated by suspected members of the Medellín cartel. In 1985, a Colombian insurgent group financed by drug traffickers seized the Colombian Palace of Justice, and killed 12 Supreme Court Justices.¹¹⁶

¹¹⁴William Branigan, "Mexico Cracks Arms, Drug Trafficking Ring," Washington Post, 26 February 1988.

¹¹⁵Eduardo Crawley, "The Drugs Trade in Latin America," Latin American Newsletters, Confidential Report-1, 1992, 18.

¹¹⁶Drugs, Crime, and the Justice System, Bureau of Justice Statistics, U.S. Department of Justice, NCJ-133652, December 1992, 56.

In conclusion, when combining the wealth, resources, and will of the drug organizations, government institutions in Latin America seem to have little chance of overcoming the cartels. As previously discussed, dismantling and destroying drug organizations seems to have had almost no impact on the continued flow of cocaine throughout the world. Just as during Prohibition, if the demand for a product is high, there will always be the presence of the criminal element. It is recommended that increased emphasis be placed upon reducing the demand for illegal drugs in the United States.

3. The U.S. Lacks a Legitimate Antidrug Regime

For drug policies to work effectively, an antidrug "regime", as argued by Bruce Michael Bagley and Juan Tokatlían, must include three primary concepts. They are legitimacy, credibility, and symmetry. An analysis of the U.S. National Drug Control Policy reveals that all three concepts have been lacking. The lack of legitimacy in U.S. drug policy is reflected by the fact that although some Latin American nations clearly understand the guidelines of antidrug policy, they do not consistently enforce them. The unilaterally-developed U.S. drug policy is the basis for this perceived lack of legitimacy in the drug war efforts. Latin American nations feel no obligation to truly adhere to such policy, believing the real problem lies in the United States, where illegal drugs are consumed.

Increased U.S. pressure through threatened economic sanctions forced the Andean nations to comply with the U.S. regional antidrug policy. These nations had acknowledged the

presence of a drug problem within their own region. However, the drug problem was not considered a national security issue until narco-violence directly targeted public and political officials. Narco-violence, in turn, escalated when the Latin American nations involved with U.S. antidrug efforts were forced to comply with U.S. demands. Colombia, for example, has an extremely violent history.

Another issue regarding the lack of legitimacy in the antidrug policy was the planning and implementation of the Andean Initiative. Although defined as a multilateral agreement, U.S. policy-makers unilaterally developed the strategy as defined in the Senate Hearing on the Andean Initiative, and subsequently demanded compliance of the Andean nations. The Andean Initiative was not a cooperative agreement, and did not employ cooperative measures, but coercion to implement strategy. Policy measures are instituted with the enticement of reward, or the constant threat of economic sanctions.

The second concept encompasses the lack of credibility in the U.S. drug policy and is defined by the use of a strategy that employs unrealistic measures to achieve its intended goals. The U.S. National Drug Control Strategy and the Andean Initiative focus almost exclusively on supply-side efforts, leaving limited emphasis on demand. Historically, U.S. antidrug policy has targeted supply-side efforts with 75 percent of the strategy funding, leaving only 25 percent for demand-related programs. The Bush administration proposed that funding be restructured, directly 40 percent to supply-side efforts, and the remaining 60 percent to demand. This, however, was not achieved as reflected previously in Figure 2-1.

The final problem that plagues the effectiveness of the U.S. antidrug regime internationally is the lack of symmetry, which is defined by the failure to fairly distribute the costs and benefits of program management. This argument focuses on the realization that the United States has not allocated the burdens of the drug war equitably between itself and the Latin American nations.

The United States, in implementing antidrug policy among the Andean nations, has failed to account for the positive impact the drug trade has had on the Latin American economies.¹¹⁷ The drug trade in the early 1990s is estimated to have produced an annual return of \$7 billion to the Colombian economy alone. In Colombia for example, the Medellín cartel's leader, Pablo Escobar, had personally financed several public housing projects and provided food and amenities for the poor.

In conclusion, consideration of the Bagley and Tokatlían argument is essential in recommending policy. The lack of legitimacy is accentuated by the fact that the United States has employed a unilateral drug policy in a multilateral forum. It has not realistically allowed the Andean nations to be part of the decision-making mechanism of current policy issues. Decision-makers must provide for joint, multilateral planning, and decision-making for all facets of antidrug policy to effectively work.

¹¹⁷John A. Peeler, "Elite Settlements and Democratic Consolidation, Colombia, Costa Rica, and Venezuela," in John Higley and Richard Gunthers, eds., Elites and Democratic Consolidation in Latin America and Southern Europe (Cambridge University Press, 1992), 107.

The U.S. antidrug policy also lacks credibility. Its objectives have clearly exceeded any realistic means to achieve set goals. The limited resources allocated to the Andean nations, and their perceived lack of dedication, have clearly made an impact. Policy-makers must consider the full scope of this problem from both a U.S. and Latin American perspective. Policy-makers need to be realistic when balancing assistance with expected results.

In terms of symmetry, U.S. policy-makers have expected Latin American nations to aggressively attack the drug issue, while ignoring the reality that illegal drugs are not so much a Latin American issue, but a demand issue centered in the United States. Latin American nations have been forced to conduct the war on drugs with limited resources and heavy U.S. restrictions. In this context, U.S. Drug Control Strategy has failed.¹¹⁸

4. U.S. Government Illegal Drug Activity **Case: Iran - Contra**

While on the surface it appears that the United States has made serious attempts to eliminate (reduce) the international drug problem through the U.S. National Drug Control Strategy and the Andean Initiative, each of which reflect genuine planning efforts, observers in both the United States and Latin America have cause to question the sincerity of the

¹¹⁸Bruce Michael Bagley and Juan G. Tokatlían, "Explaining The Failure of the U.S.-Latin Drug Policies," The United States and Latin America in the 1990s, Beyond the Cold War (The University of North Carolina Press, 1992), 214-234.

efforts. The Iran-Contra scandal and disclosure that resulted have (severely) damaged the perception of U.S. motives.¹¹⁹

Sources have confirmed that several members of the United States government were involved in clandestine drug trafficking operations linked with the Iran - Contra arms shipments. Various defendants testified that U.S. authorities did indeed have knowledge of the drug operations. Those defendants include: Milian Rodriguez, chief bookkeeper for the Medellín cartel in Colombia; Jose Blandon, chief of intelligence for Manuel Noriega in Panama, and John Hull, an American residing in Costa Rica, and considered the central point of the drug operation. Hull, who was indicted for massive cocaine trafficking, established U.S. political ties when he reportedly met with then Senator Dan Quayle in 1983 during a visit to Washington, D.C. Through a chain of introductions, Hull was finally linked with Oliver North. Hull had also established relationships with several other CIA operatives including: Robert Owen, Oliver North's personal liaison for Contra operations; and CIA's station chief in Costa Rica, Jose [Joe] Fernandez.¹²⁰

With CIA operations providing intelligence and transportation for the Contra arms shipments, it stands to reason that the CIA managed drug operations as well. Several substantiating facts reveal the CIA's drug connection. According to the Kerry Report, the Ilopango Airport in El

¹¹⁹Bruce McGraw, "Bush's Fraudulent Drug War, The Contra-Drug Connection," The Truth Seeker, September-October 1989.

¹²⁰Peter Dale Scott and Jonathon Marshall, Cocaine Politics, Drugs, Armies, and the CIA in Central America, University of California Press, 1991, 118.

Salvador had specific hangars designated for Contra operations, and were reported to be used by aircraft carrying cocaine.¹²¹ In March 1987, a C-47 cargo plane under joint U.S.-Colombian registry was shot down in Honduran airspace after failing to identify itself. Although both Pentagon and Honduran officials all denied the aircraft's involvement in Contra operations, investigating authorities reported that the aircraft had been under surveillance for some time, and was suspected to have been used in drug trafficking operations.¹²² Gerado Duran, a former Contra operation pilot from Costa Rica, testified, after being arrested in January 1986, that on several occasions he had flown planeloads of cocaine into the United States.¹²³

When investigating the financial transactions of Contra operations, several were reportedly tied to known front organizations of drug trafficking cartels. There was also financial evidence linking Contra operations with several Miami-based cocaine trafficking organizations. Records reveal the names of Ted Shakley, Tom Clines, and Richard Secord, all involved with Iran-Contra and all previously released from CIA employment during the Carter administration, who had set up links with Latin American drug cartels during their government employment.

¹²¹Senate Committee of Foreign Relations, Subcommittee on Terrorism, Narcotics and International Operations, Drugs, Law Enforcement, and Foreign Policy, U.S. Government Printing Office, 1989, 37.

¹²²William Branigan, "Honduras Shoots Down Unidentified Plane," Washington Post, 11 March 1987.

¹²³Ibid, 49.

In The Big White Lie, Michael Levine reported that in 1984 a DEA agent in Tegucigalpa, Honduras had documented proof of a Honduran military-CIA connection that was responsible for the shipment of over 50 tons of cocaine to the United States during a 15 month period. Considering the bureaucratic sensitivity of this operation with CIA involvement, the DEA agent, after exposing this information to his superiors, was subsequently removed from his post and the Honduran office of the DEA was closed.¹²⁴ Levine goes further by presenting rumors that at least one of the biggest cocaine labs in Huanchaca, Bolivia, being run by the CIA.¹²⁵

In conclusion, one must consider how the U.S. National Drug Control Strategy can maintain integrity in the face of alleged U.S. government covert operations. The Iran-Contra affair, CIA involvement in the Bolivian cocaine coup of 1981,¹²⁶ and operation "Pseudo Miranda" as described by Kenneth Bucci, former CIA operative in his book CIA: Cocaine In America, are just a few illegal drug operations, by official members of the United States government.

It is recommended that heavier restrictions be placed upon clandestine operations by intelligence agencies, and the establishment of more comprehensive program management to eliminate the recurrence of any such operations.

¹²⁴Michael Levine, The Big White Lie, The CIA and The Cocaine/Crack Epidemic, Thunders Mountain Press, 1993, 123.

¹²⁵Ibid, 455.

¹²⁶Ibid, 104.

5. U.S. Judicial System Lacks Consistency

Combining drug abuse treatment and education is the first step in reducing the U.S. demand for illegal drugs. When these measures do not reach those involved, then steps must be taken to ensure that those who continue such abuse are punished swiftly and harshly. This, however, is not necessarily the case with the U.S. judicial system when examining antidrug efforts. To better reflect the reality of how burdening the drug problem has become, in 1990 the DEA reportedly made 21,799 drug related arrests. When including state, and local antidrug efforts, the total number of drug arrests peaked at almost 1.1 million. As discussed in previous chapters, the United States considers cocaine the largest drug problem in the nation. It however, is not the only drug problem facing the United States. Marijuana, heroin, and other assorted drugs have a significant impact too. To better illustrate, Figure 3-6 contrasts the number of DEA [Federal] drug arrests, by drug type. This does not represent only the arrests of major drug dealers, but everyday drug abusers as well.

DEA Federal Drug Arrests

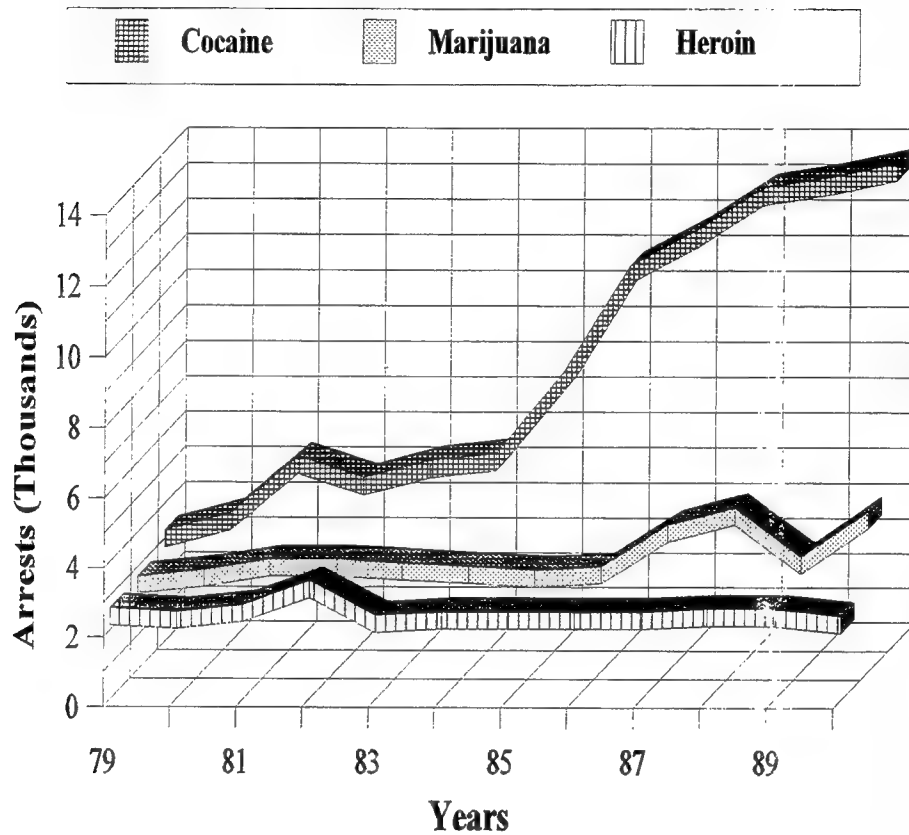


Figure 3-6. DEA Federal Drug Arrests

Following drug arrests, the system passes to the prosecution phase, where a decision is made to either proceed with the case, or dismiss the charges. Inquiries into probable cause for investigation, arrest, determination of sufficient evidence, and a judgement on the credibility of the case will all be considered before a court justice assigns the case to a trial schedule. There are failures in every step of the process mentioned. Each judge interprets things individually, with no standardized system, thus causing inconsistency. When considering other factors such as corruption and overcrowded prisons, the system has not made much progress in effectively reducing drug useage or trafficking. Figure 3-7 compares the different phases in drug cases, and reveals the national average of outcome in most cases.¹²⁷

A clear trend can be seen again by the lack of accountability that is displayed by decreasing prosecution rates. A good example of how frequently drug cases are dismissed in the U.S. court system is the city of Manhattan, New York. For 1987, the city records reveal that judges dismissed 32 percent of all drug trafficking cases, and 7 percent of drug possession cases.¹²⁸

¹²⁷Compendium of Federal Justice Statistics, 1989, Bureau of Justice Statistics, U.S. Department of Justice, NCJ-134730, May 1992.

¹²⁸Prosecution of Felony Arrests, 1987, Bureau of Justice Statistics, U.S. Department of Justice, NCJ-124140, August 1990, 20-23.

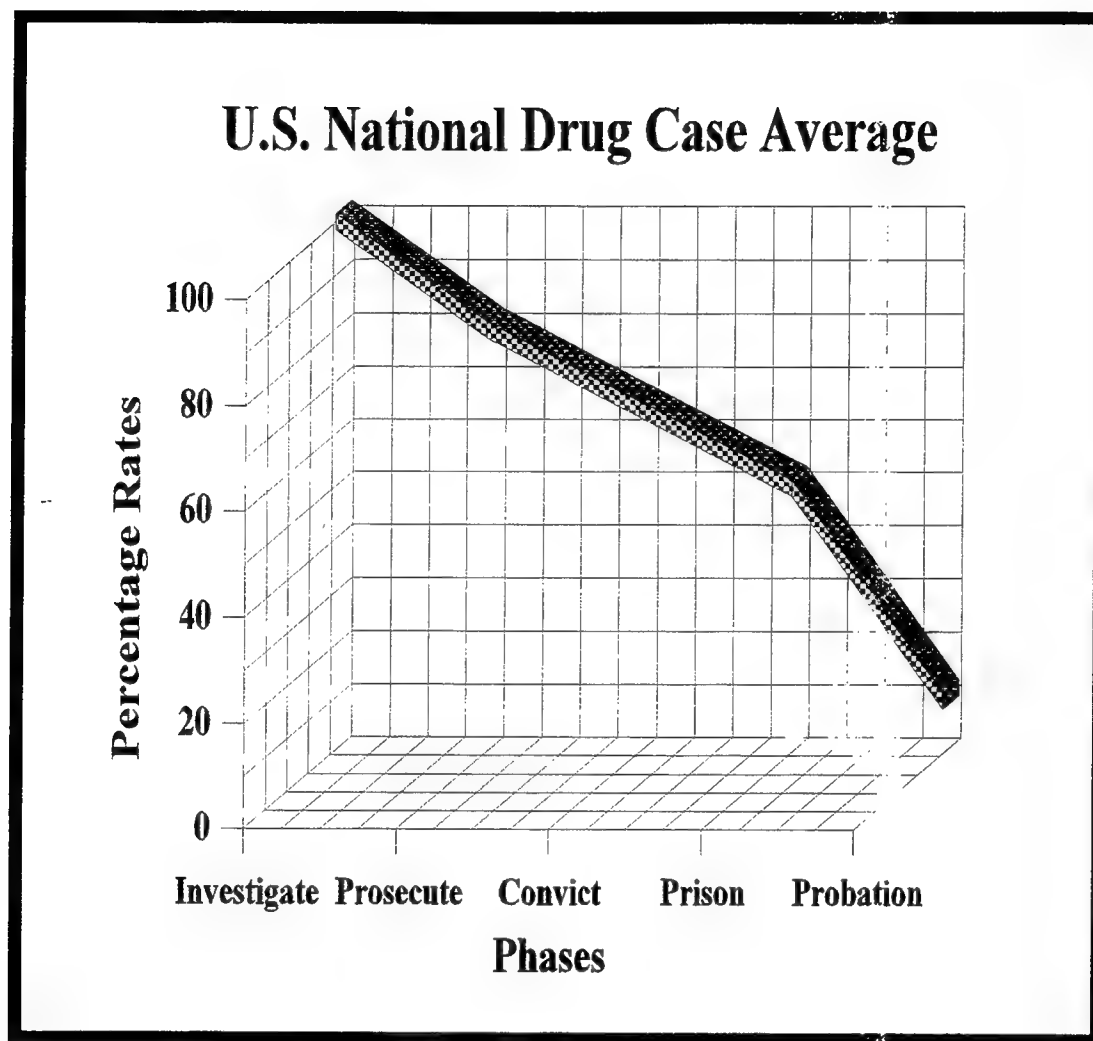


Figure 3-7. U.S. National Drug Case Average

Using Manhattan, New York, as an example, in 1982 only 28 percent of all drug arrests were ever indicted, and of those, only 24 percent were convicted. By 1987, those figures rose slightly, but stayed proportional, with drug indictments being 54 percent, and convictions at 45 percent.¹²⁹ In both periods the convictions rarely were ever accompanied by substantial prison incarcerations.

When reviewing the low conviction rates of drug charges, it is not difficult to understand why 57 percent of those rearrested [second arrest], are done so on drug charges. Further, 64 percent of those rearrested [third arrest], are also due to drug related charges. When focusing on drug arrests for cocaine nation-wide, in 1979 there were over 2,000 arrests made. By 1990 that number escalated to over 13,000 arrests. When the U.S. judicial system lacks the ability to enforce personal accountability of the nation's citizens, those who continue to break the laws, will continue to do so.

The drug strategy and the judicial system of the United States maintain completely separate guidelines for juvenile drug cases. Concepts like "delinquency" in the place of guilt, and "status offenses" [truancy, runaways] as excuses for behavior, often replace accountability. The problem of age consistency plagues the system. Most states institute the adult age at 18, however, some are as low as 16, with others reaching up to 21.

To illustrate how the U.S. judicial system has mishandled juvenile drug cases, the following statistics reveal an inability to enforce its authority for drug offenses. The national average for 100 juvenile drug related cases resulted

¹²⁹Ibid, 10.

in 62 being petitioned for possible court action. Of those, 14 placed, 27 were assigned probation, 17 were dismissed, and 5 categorized as other [witness, plea bargain].¹³⁰

In conclusion, what can the judicial system do to improve the lack of enforcement and consistency in drug-related cases throughout the United States? Some observers recommend the death penalty for those involved in drug related cases with excessive violence. They argue that if we really desire to succeed in reducing drug abuse, we must consider that while many drug traffickers may not actually commit the violent acts themselves, they are indirectly responsible by making drugs available, with the causal effect of the violent act. Many foreign nations, including Malaysia and Singapore, do institute the death penalty for drug-related cases and their statistics for drug abuse and trafficking are substantially lower than those for the United States. The death penalty is opposed by some who consider it cruel, and unusual punishment.

The most credible form of punishment for consistent drug traffickers is incarceration. This may create overcrowding in prisons. Other forms of punishment that can be implemented for drug related cases are strict probation programs and high fines. The system will first require reorganization, in order to produce the results required for success. The system must provide consistency in prosecuting drug offenses.

¹³⁰ Juvenile Court Drug and Alcohol Cases, 1985-1988.
National Center for Juvenile Justice, September 1990, 173.

6. The Antidrug Regime Lacks Coordination

Case: DEA & FBI Drug Investigations

In response to an increasing drug abuse problem in the United States, the Drug Abuse and Treatment Act of 1972 was passed to establish a coordinating mechanism for the several agencies involved with antidrug efforts. Instead, what many critics argue is that the antidrug bureaucracy has become so big that it has reduced efficiency. In 1965, there were only two U.S. federal agencies conducting antidrug efforts and the total annual budget at that time was \$10 million. Today, there are 54 agencies involved, and the annual budget exceeds \$13 billion. A partial list includes the Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Central Intelligence Agency (CIA), National Security Agency (NSA), Internal Revenue Service (IRS), Defense Intelligence Agency (DIA), Alcohol, Tobacco and Firearms (ATF), State Department, Pentagon, and all assets under the Departments of Treasury, Transportation, Defense.¹³¹ If one limits the scope of the analysis of antidrug efforts to the DEA and FBI, one is struck by their lack of coordination. In attempting to consolidate antidrug efforts, the Nixon administration created the Drug Enforcement Administration (DEA) in 1973, within the Department of Justice. This reorganizing effort evolved from the Bureau of Narcotics and Dangerous Drugs (BNDD), and sections of U.S. Customs Service responsible for drug investigations.¹³² The DEA was designated as the lead

¹³¹Michael Levine, The Big White Lie, The CIA and the Cocaine/Crack Epidemic, Thunders Mountain Press, 1993, 462-463.

coordinating agency for U.S. antidrug efforts in much the same way that the CIA is supposed to coordinate all intelligence activities both domestically and abroad. By 1989 the DEA employed 2,527 special agents in its headquarters and domestic offices, and 252 special agents in 45 foreign countries.¹³³ To enhance the investigative capabilities of the DEA, and improve coordination between DEA and FBI, the U.S. Attorney General, in 1982, authorized the use of the FBI's vastly superior resources by DEA when conducting drug investigations. At the same time, both agencies formally established written guidelines for assisting joint-agency coordination during investigations. These guidelines, however, are said to rarely be followed. Although the two agencies do conduct drug investigations together, statistics for 1987 to 1988, reveal that joint antidrug efforts only comprised of about 6 percent of DEA's total cases, and 16 percent of the FBI's total drug cases.¹³⁴

The sharing of intelligence is considered a major problem area by the drug control strategy and requires serious improvement. When focusing on the DEA and FBI, both have completely independent intelligence networks. The DEA, when conducting drug investigations, primarily use its indigenous intelligence network, the Narcotics and Dangerous Drugs Information System (NADDIS). Although the FBI can access this

¹³²Roy Godson and Earnest May, "Thinking About Reorganization," Consortium for the Study of Intelligence, Washington, D.C., 1993.

¹³³Justice Department: Coordination Between DEA and FBI, U.S. General Accounting Office, GAO/GGD-90-59, March 1990, 2.

¹³⁴Ibid, 4.

system, it prefers to use its own, the Organized Crime Information System (OCIS), and the Investigative Support Information System (ISIS). The use of two completely separate agency systems has created duplication of efforts and inefficiency in federal antidrug investigations and intelligence collection.¹³⁵

With the lack of coordination between the DEA and FBI being a consistent problem, the probability of merging the two agencies has been considered by past and current administrations: first in 1981; then in 1987; and more recently, in 1993, under the Clinton administration. The two agencies realistically have two totally different missions, and should be kept that way. The DEA, being focused on antidrug efforts, has the expertise, and unique capabilities for this "different" type of war. The FBI, tasked with the internal security of the nation, is much more technologically equipped, but lacks the knowledge and experience in drug operations. Both agencies utilize very different investigative techniques, and basically have established their own personalities. To merge the two would only further aggravate the already excessive turf-wars that exist between most federal, state, and local agencies involved in the drug war.

In conclusion, the fact remains that coordination for antidrug efforts is lacking. When the Bush administration instituted the Office of National Drug Control Policy (ONDCP), it did so hoping to provide a mechanism to coordinate antidrug efforts. Its cabinet-level status, however, allowed

¹³⁵National Drug Control Strategy 1994, the Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., February 1994, 44.

it to be consumed by politics and make it less effective in implementing the antidrug policy. Its responsibility encompasses the establishment of policy, objectives and priorities for the nation's drug control strategy. It does not, however, have any authority to direct antidrug agencies in their activity. The creation of the ONDCP consequently had very little impact on improving coordination of the antidrug regime.¹³⁶ In reality, there is no one agency in command of this international effort, nor does any one office hold enough authority to institute any real coordinated effort, and enforce it.

If U.S. policy-makers are serious about coordinating antidrug efforts, they should indeed give one agency the power and authority to direct such efforts. The ONDCP is a move in the right direction, but decision-makers should also allow the ONDCP to have not only planning responsibilities, but directive authority as well. This would eliminate a large majority of turf-wars that severely limit success in counter-drug operations.

¹³⁶Donald J. Mabry, The Latin American Narcotics Trade and U.S. National Security, Greenwood, 1989, 154.

IV. SUMMARY

Washington's drug policy has been one of the most expensive failures in American history. The streets are not safer, the flow of drugs has not stopped, and the spread of deadly diseases like AIDS from unsafe needle use has reached epidemic proportions. The declarations of war on drugs by the United States in 1986 now appears to have been only a symbolic measure.¹³⁵ The establishment of the Office of National Drug Control Policy (ONDCP) by the White House in 1989 has done little more than provide a weak figure-head to coordinate national antidrug efforts. The U.S. National Drug Control Strategy has provided a comprehensive framework for antidrug efforts, but has goals and objectives that are unreachable.¹³⁶

Foreign efforts targeting drug organizations and traffickers overseas have had minimal impact against illegal drugs, but the effects on foreign relations with source and/or transshipment countries have been severely strained. The two broad factors discussed in this thesis that have undermined success in U.S. antidrug policy have been economics and politics.

¹³⁵National Security Directive 221, Declaration of Drug Trafficking as a National Security Threat, U.S. Government Printing Office, April 1986.

¹³⁶Dione M. Canova, "The National Drug Control Strategy, A Synopsis," in James Inciardis, eds., Handbook of Drug Control in the United States (Greenwood, 1990), 339.

Economically, the cocaine trade generates billions of dollars in profits every year, often overpowering efforts to conduct legitimate economic activities. The profitability of the illegal drug trade clearly has exceeded any effort made by U.S. policy. The \$50 million to \$60 million in restrictive U.S. antidrug assistance to Colombia, for example, represents a small sum when compared to the \$7 billion of illegal drug revenues reinvested in the Colombian economy every year,¹³⁷ and the \$110 billion spent annually by U.S. consumers on illegal drugs.¹³⁸

The financial impact of money laundering has been substantial on many of the economies of the world. Efforts to expand domestic and international programs combatting money laundering have failed because of lack of cooperation. The centralization of policy control by the United States must become more flexible to include foreign nations as decision-makers, not only participants.

United States foreign assistance programs appear to be motivated by a genuine concern for combatting drugs, but continue to fail because they are implemented as restrictive and coercive foreign policy tools. Future U.S. policy must allow for flexibility in funding usage. Policy-makers must improve the control of program management to better monitor policy achievements.

¹³⁷Rensselaer W. Lee, III, "Economic Aid Could Not Stop Drug Production," in David Bender and Bruno Leones, eds., The War on Drugs, Opposing Viewpoints (Greenhaven, 1990), 183.

¹³⁸G. Pope Atkins, Latin America in the International Political System, Westview, 1989, 274.

The corruption potential created by the illegal drug trade has compromised the professionalism, integrity, and effectiveness of those involved in antidrug efforts. It has been difficult to promote and strengthen democratic institutions throughout the world when money from illegal narcotics buys police, military personnel, politicians, and public officials. U.S. policy-makers must assess the level of drug-related corruption in formulating and implementing antidrug policies of the future.

Politically, inter-agency coordination failure, non-compliance with policy concepts, and unrealistic strategy objectives have all contributed to the continued failure of antidrug policy. The militarization of the war on drugs (use of the U.S. military) has been inappropriate, not cost effective, and detrimental to foreign relations. Even with the vast resources and capabilities the U.S. military possesses, the impact on the illegal drug trade has been negligible. The lack of a common military-to-civilian intelligence and communication network, the absence of any clear lines of authority in bilateral and joint operations, and the lack of a clear and concise set of guidelines continue to plague military operations. To continue with military participation in antidrug efforts, the Department of Defense must provide adequate law enforcement training to military personnel employed in this capacity.

The fact that the drug cartels of Colombia are too powerful to overcome continues to plague U.S. antidrug efforts. Efforts to dismantle and destroy drug organizations seems to have had almost not impact on the continued flow of cocaine throughout the world. U.S. efforts in law enforcement

activity should continue, but the greater focus should be on demand-related programs.

The vast array of agencies involved in antidrug efforts in the United States has not improved policy coordination, and has failed to implement a cohesive, legitimate antidrug regime. There are still too many agencies and no effective centralization of efforts or control. Decision-makers need to provide for joint and multilateral decision-making for all facets of antidrug policy. U.S. policy-makers must consider the full scope of the problem from both the U.S. and Latin American perspective, and properly balance the program objectives with available means.

When antidrug strategy efforts fail and the laws of the United States are continually abused, the U.S. Judicial System must take steps to ensure swift and appropriate punishment. A clear trend toward minimal punishment in drug cases has resulted in a severe lack of accountability by those who continue to abuse drug laws. Individuals who are sworn to uphold justice within the judicial system must take responsibility for their positions and provide consistency in prosecuting drug-related cases.

The focus of this thesis has been to examine the goals and objectives of the National Drug Control Strategy of the United States and the Andean Initiative, and then present several arguments for their failures. U.S. antidrug efforts will continue to fail in their present form if not restructured. Future antidrug policy will only succeed when efforts shift to target demand-related drug consumption by instituting effective drug education, treatment, and testing programs that

ensure compliance to federal laws.¹³⁹ This thesis concludes that any real solution to the drug problem lies not with supply interdiction, not with expanded foreign assistance, but with targeting user accountability in the United States.

¹³⁹Donald Mabry, The Latin American Narcotics Trade and U.S. National Security, Greenwood, 1989, 161.

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